

PLANNING FOR HOUSING DIVERSITY

MARCH 2023



2020 CHURCHILL FELLOWSHIP TO RESEARCH LAND USE APPROACHES TO ASSIST IN ADDRESSING AUSTRALIA'S HOUSING AFFORDABILITY CRISIS

AWARDED BY THE WINSTON CHURCHILL MEMORIAL TRUST

REPORT BY MARTIN GARRED, CHURCHILL FELLOW



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THE WINSTON CHURCHILL MEMORIAL TRUST

Planning for Housing Diversity, February 2023

Report by Martin Garred, Churchill Fellow

2020 Churchill Fellowship to Research Land Use Approaches to Assist in Addressing Australia's Housing Affordability Crisis

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16 March 2023

EXECUTIVE SUMMARY

FELLOWSHIP CONTEXT

Housing is a fundamental human right, that is connected to our everyday lives. It not only provides essential shelter, but also plays a significant role in our quality of life and economic prosperity, whilst supporting the long-term growth of our cities and regions.

Australia was once known as a place where housing costs were manageable, with broad opportunities for all parts of the community to achieve the Australian dream of home ownership. Whilst that may have been the case in the post World War II era when Australia's population was only seven (7) million people; at a population of just over 26 million, the Great Australian Dream established 78 years ago is no longer attainable.

Whilst the Great Australian Dream is no longer attainable, it continues to directly influence the settlement patterns of our cities and regions, predominately characterised by extensive suburbanisation. I am of the view that Australians have limited acceptance to, and knowledge of, alternative housing types and tenures. This is because you only know what you are used to, and people naturally fear change and the unknown. The reluctance to accept new housing typologies, combined with a strong investment market, has unconsciously exacerbated the emergence of a two-class society; of those that can afford housing and those that cannot.

It was this problem that inspired me to travel to the United States of America, the United Kingdom, Denmark, and Sweden in 2022, to learn how other jurisdictions are dealing with the ever-growing housing affordability challenge from a land use perspective.

Whilst land use planning is just a small part of the highly complex and multi-faceted housing affordability challenge, I do contend that evidence-based land use planning responses can offer the foundation to commence reimagining the Great Australian Dream, so Australia's current and future generations can also enjoy the range of social and financial benefits home ownership delivers. In light of growing concern about inflationary pressures that have led to significant increases to our cost of living, now is the time to act!

FELLOWSHIP OBSERVATIONS

The cities I visited as part of my Fellowship are experiencing many of the housing affordability issue being faced in Australia. In some of the cities, the affordability crisis is arguably worse than current situation in Australia. However, it was the ongoing escalation of the housing affordability issue that led to these cities taking innovative land use planning actions.

The key observations from my Fellowship are best summarised under three (3) key themes, being:



The most important observation from my Fellowship is that all of the three identified themes must be working in harmony to achieve genuine change to the land use planning system.

My key take out from all of the cities visited is that the land use planning system must focus on developing responsive land use policies that are actively informed by current trends and market influences, to enable the delivery of diverse and well-located housing that reflects the communities needs and aspirations.

FELLOWSHIP RECOMMENDATIONS

The recommendations from my Fellowship are summarised in the framework outlined overleaf. The framework provides a land use planning approach to assist in achieving increased housing diversity and affordability. The approach has been developed to enable its broad application, recognising the need for locationally specific responses to the different legislative frameworks that apply across Australia. The framework has three parts as summarised below.

HOUSING AFFORDABILITY PRINCIPLES

The recommended land use planning framework is underpinned by the three (3) housing affordability principles. These principles are a systematic shift away from defining or considering affordable housing in the context of an individual persons or a family units income. For the purposes of strategic planning exercises, I consider that the principles provide a much broader context for assessing how land use planning tools should be used to promote housing diversity and affordability and to support changing the community narrative.

CRITICAL INFLUENCES

The critical influences are arguably the most important tools that must be implemented if meaningful policy change is to be successfully implemented. The critical influences recognise the need to collectively shift the thinking at a political, technical and community level to be one that is future focused and human centric. This recognises that a positive attitude towards change is critical for diversifying our existing neighbourhoods to be more inclusive, providing different housing types and tenures.

RECOMMENDED PLANNING APPROACHES

The recommended approaches from my Fellowship seek to provide tangible land use planning outcomes that can assist improving housing diversity and addressing housing affordability.

IMPLEMENTATION

The recommended framework involves long-term actions that will, in part, assist in addressing Australia's housing affordability crisis. I hope this report acts as a call to action to spark meaningful dialogue about the necessary policy reforms through visionary and bold leadership, together with well informed, engaged, and inclusive communities, to deliver increased housing choice and diversity in Australia. I look forward to working collaboratively with my peers from across Australia in addressing this issue and promoting a planning system that is more responsive to the community's evolving needs.

FRAMEWORK

A land use planning approach for housing diversity and affordability

PURPOSE

An approach to reimagining the Great Australian Dream through facilitating diverse and affordable housing for growing communities.

One of the roles of planners and the land use planning system is to develop long-term policies that enable the delivery of diverse and well-located housing that reflects both the communities needs and aspirations. This framework has been developed as an outcome of my Fellowship, to challenge the traditional approach to land use policy for housing in Australia.

However, land use planning is only one part of the solution and this framework should be considered in the context of a broader suite of solutions that seek to address the systematic issues associated with housing affordability in Australia.



HOUSING AFFORDABILITY PRINCIPLES

Whilst the concept of affordable housing is relative, it should be assessed on these principles to ensure that it is considered in a broader context beyond just a person or family unit income.

1. CHOICE

A variety of housing is available in terms of dwelling types, tenure and price points.

2. NEEDS

Housing (type and supply) meets the users evolving needs throughout their life cycle.

3. LOCATION

Housing is well located in terms of access to employment, services and amenity.



CRITICAL INFLUENCES

We need to shift the collective thinking at the political, technical and community level to be one that is future focussed, to encourage positive change and diverse housing.

• MEANINGFUL COMMUNITY ENGAGEMENT

To build trust in the planning process

• BOLD LEADERSHIP (POLITICAL AND TECHNICAL)

To support the necessary community change

• RESPONSIVE HOUSING STUDIES

Housing studies that consider housing production and affordability needs, not just planned capacity, that are frequently reviewed and continually monitored

• CHANGING THE NARRATIVE

We should simply be focussing on the need for secure housing for everyone

• COMMUNITIES WILLINGNESS TO EMBRACE CHANGE

The way we prepare communities for change must be at the forefront of our work



RECOMMENDED APPROACHES

The recommend approaches from my Fellowship seek to provide tangible land use planning outcomes that can assist in addressing Australia's housing affordability crisis.

• ENCOURAGE HOUSING DIVERSITY IN LOW DENSITY RESIDENTIAL AREAS

To reimagine suburban neighbourhoods to provide housing that caters for the broad needs of our community, both now and into the future.

• REGULATE THE PROVISION OF AFFORDABLE HOUSING

To support the delivery of affordable housing through a mandatory inclusionary housing policy.

• PROACTIVE AND LONG-TERM STRATEGIC PLANNING

Strategic planning must have a long-term vision. The plans we put in place now will setup our cities and regions for future generations.

• REGIONAL PLANNING

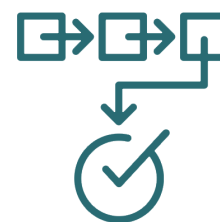
Regional plans should manage housing growth, diversity and affordability. Regional plans should be regularly reviewed and resolve cross jurisdictional growth issues.

• DEVELOPMENT APPROVAL TIMEFRAMES

To encourage more timely housing delivery and reduce speculation.

• IMPROVE HOUSING DESIGN

The meet the changing needs of users throughout their lifestyle.





PART 1

INTRODUCTION & CONTEXT

INTRODUCTION

Following World War II in 1945, Australia's population stood at just over seven (7) million people. As a young nation, Australia embarked on a significant growth agenda, which led to the creation of the Great Australian Dream. This ideological concept, conceived as a free-standing house on a quarter acre suburban block, was founded on the belief that home ownership can lead to a better life and greater financial security.

Ever since, across the country, it has been this very idea that has directly influenced and shaped the settlement patterns of our cities and regions, predominately characterised by extensive suburbanisation. The protection of this deep-rooted ideology of the Great Australian Dream has resulted in the adoption of exclusionary land use zoning in our suburban areas and any mooted change to this highly protected suburban zoning often causes community uproar and political angst.

However, Australia now has a population of just over 26 million and the Great Australian Dream established 78 years ago is no longer attainable, particularly when housing is influenced by a completely different set of social, economic, and environmental factors.

I am of the view that Australians limited acceptance to and knowledge of alternative housing types and tenures, when combined with a strong investment market, has unconsciously exacerbated the emergence of a two-class society; of those that can afford housing and those that cannot.

It was this problem that inspired me to travel to the United States of America, the United Kingdom, Denmark, and Sweden in 2022, to learn how other jurisdictions are dealing with the ever-growing housing affordability challenge from a land use perspective.

Whilst land use planning is just a small component of the highly complex and multi-faceted housing affordability challenge, I do contend that evidence-based land use planning responses can offer the foundation to commence reimagining the Great Australian Dream, so Australia's current and future generations can also enjoy the range of social and financial benefits home ownership delivers. In light of growing concern about inflationary pressures that have led to significant increases to our cost of living, now is the time to act!

Given the challenges in instigating bold change in planning systems, I hope this report will challenge the traditional approach to land use policy for housing in Australia, empowering urban and regional planners to be at the forefront of reimagining the Great Australian Dream.

ACKNOWLEDGEMENTS

There are so many people, both professionally and personally, who have inspired, challenged, and motivated me throughout my Churchill Fellowship (**Fellowship**) journey, which started a few years ago because of the COVID-19 global pandemic. I must thank a few important people without whom this Fellowship would not have been possible:

- Amanda Sheers – For connecting me with the Winston Churchill Fellow Trust and providing my project reference;

- Liam Morris – For providing my professional reference and successfully managing our business Civity, whilst I was away; and
- Kelli Adair – For always challenging me with your ideas and thoughts.

Finally, to my wife Jess, you endured seven (7) weeks of nightly dinner conversation about planning and housing policy; your motivation, support and companionship whilst travelling ensured the success of the project.

Whilst I may have returned from my travels, my Fellowship Journey is only just beginning. Thank you to the Winston Churchill Memorial Trust (**Trust**) for investing in me and this project, which I hope will positively assist in addressing what is becoming one of the biggest issues facing Australia's future. I look forward to a long and engaging connection with the Trust, the Churchill Fellows Association of QLD, and Churchill Fellows across Australia.

Quite simply, my project would not have been possible without the generosity of planners, architects, lawyers, elected officials, housing experts and community advocates that took the time to meet with me and share their knowledge. I hope to stay connected with you in the future, as there is no short-term solution to the housing issues around the world.

ABOUT ME



I am a co-founding Director and Town Planner of Civity, a boutique town planning firm, specialising in providing strategic planning, government advisory and project services across Queensland. Based in Cairns, I am a strong advocate for regional Queensland and understand that housing policy is an important tool in unlocking economic growth in regional Queensland.

Having held executive roles in both State and Local government within Australia, I regularly advise government, particularly in the fields of strategic planning, growth management and housing policy.

My long-held interest in housing affordability has been driven by seeing friends and family around me, truly struggle to enter the housing market. As a result, throughout my career I have sought out opportunities where I can use my professional skills and experience to influence positive change in relation to housing policy, specifically focussed on land use planning policy and private housing delivery.

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KEY TERMS

Land use planning, Strategic planning, Zoning, Inclusionary zoning, Exclusionary zoning, Housing, Affordable housing, Key worker housing, Housing diversity, Housing choice, Single family homes, Community, Leadership

Figure 1: View over New York and New Jersey showing high density housing typologies



WHAT IS AFFORDABLE HOUSING?

The concept and definition of affordable housing is nebulous. Whilst many may think that the definition of what constitutes affordable housing is well understood, it is a concept that is plagued with misunderstanding, derived from the frequent and interchangeable use of this term by politicians, planners and housing experts when talking about various housing types such as social housing, public housing, community housing and key worker homes.

Whilst a particular person's or family unit's income is often used as a baseline measure of housing affordability, this is a flawed approach. This is because the concept of affordable housing is relative in terms of location and is dependent upon the individual needs and circumstances of a particular person or family unit.

DEFINING HOUSING AFFORDABILITY

One of the challenges in defining housing affordability lies in the fact that countries, regions, and cities have very different approaches to its definition. In part, this is because often affordable housing is based on an income spectrum or threshold, that is used for determining whether an individual is eligible for government assistance.

Nevertheless, one of the questions that I asked interviewees was how their country/region defined housing affordability and their views about the suitability of such approaches. A summary of how each country defines affordable housing is provided below, with the more technical overview provided in **Appendix A**.

AUSTRALIA

The House of Representatives Standing Committee on Tax and Revenue Inquiry into Housing Affordability and Supply in Australia published its report titled *The Australian Dream* in March 2022. The report identified two concepts, the first being housing affordability, a broad concept related to the degree in which households find it easy to afford their housing. The second concept, affordable housing, is noted as being more discrete referring to non-market housing that is affordable for low-income earners¹.

UNITED STATES OF AMERICA

Housing affordability in the United States is defined by the Federal Department of Housing and Urban Development (**HUD**) as being a dwelling that a household can obtain for 30 percent or less of its income². On an annual basis, the Area Median Income (**AMI**) is defined by the HUD for each metropolitan area and non-metropolitan counties.

The Federal Government's housing choice voucher program, which is administered by local Public Housing Agencies, provides housing assistance to low-income earners, the elderly and the disabled³.

The program provides landlords with a housing subsidy and the tenant pays the difference between the actual rent charged by the landlord and the amount subsidised by the program³. Like many public housing programs, most interviewees noted the program is underfunded, resulting in waiting lists and difficulty in accessing subsidised housing through the program.

UNITED KINGDOM

In the United Kingdom regulatory planning system, the term affordable housing is explicitly defined as part of the National Planning Policy Framework (**NPPF**). Whilst the full definition is provided in **Appendix A**, it essentially captures housing for those whose needs are not met by the market.

In applying the NPPF definition, Bristol City Council specifies its preferred tenure mix as being 75 percent social rent and 25 percent affordable home ownership, comprising either First Homes or Shared Ownership units⁴.

Whilst NPPF definition is applied in London, The London Plan seeks to ensure that 50 percent of all new homes delivered across London are genuinely affordable⁵. To deliver upon the objective of genuinely affordable housing, through the London Plan, the Mayor of London identifies preferred housing tenures, which are outlined in **Appendix A**.

DENMARK

In Denmark, there is no definition of affordable housing. However, the concept of affordable and housing for all in need, is tied to the broader Danish welfare society and economic structure⁶.

The non-profit housing in Denmark is akin to social housing, with some notable differences. The rent is directly linked with the cost of the dwelling, including maintenance and capital costs, as well as taxes and duties. This means that the rental price must break even with the costs⁶. This means that new non-profit housing is not necessarily affordable to lower income earners, it does however remain about 20 percent below market price. However, the system relies on an ongoing production of non-profit housing, as the housing becomes more affordable as the stock ages because of reducing costs.

The funding of new non-profit housing is largely generated by existing tenants. The municipality provides between 8-12 percent as an interest free loan, residents provide two (2) percent as a deposit when moving into the dwelling and the remaining is financed via a state guaranteed mortgage loan at market terms⁶.

The Danish system is designed to maintain a level of supply of non-profit housing into the market, to reduce barriers to entry. The allocation of non-profit housing occurs via a waiting list; however, it is not restricted to certain income groups, but rather based on an inclusive policy of being accessible to anyone.

It is also relevant to note that municipalities provide housing allowances for low-income earners. This is an important distinction, as the subsidy is provided to the person, who still maintains the same obligations as other non-profit housing occupants, including payment of rent and maintenance of their dwelling.

SWEDEN

Sweden does not have social housing. However, municipalities have an obligation to plan and provide adequate and affordable housing for all residents⁷. The underlying basis of the housing system is to provide a decent home for everyone as a basic public good.

The municipal housing companies that have a social responsibility must apply business-like principles and directly compete with the private sector without any specific public funding⁶.

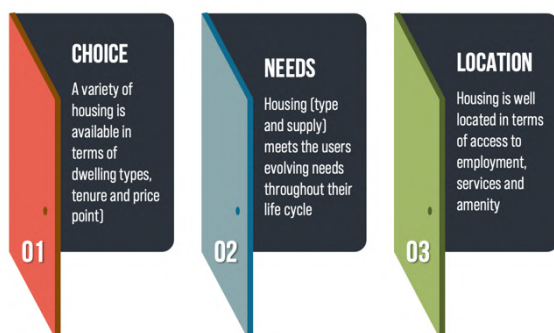
The Swedish system is based on subsidised individuals, so that they have access to housing in the open market, rather than subsidising the housing itself.

Notwithstanding, almost half of the rental sector is owned by municipal housing companies. However, rent is set in the same way as privately owned housing, which is a collective bargaining process at a local level between tenants and landlords⁶.

HOUSING AFFORDABILITY PRINCIPLES

As demonstrated through the jurisdictional analysis presented above, there isn't necessarily a standard or consistent way in which housing affordability is defined. As such, I recommend that housing affordability, when being used for strategic land use planning should instead be assessed based on the three key principles shown below.

Figure 2: Key principles of housing affordability



CHOICE

The structure of society means that our individual housing needs are vastly different. This requires a range of housing types to be provided to meet the needs of a growing and changing population.

Housing choice applies to a range of factors, including:

- **Typology:** This can range from detached single family homes, through to higher density living typologies such as apartments.
- **Tenure:** Traditionally tenure has been limited to owner occupiers, with or without a mortgage, private rental, and social rental, via either government owned housing or non-profit community housing. However, tenure options are evolving with different jurisdictions now offering rent to buy, shared equity, build to rent and housing cooperatives.
- **Price Point:** By offering a diversity of dwelling typologies and tenures, the housing market should provide a range of price points within existing neighbourhoods. This allows for neighbourhoods to be income diverse and removes entry barriers to the housing market.

The importance of housing diversity within our neighbourhoods cannot be understated. Improving housing diversity within a neighbourhood can allow residents at different stages of life to remain in their community as their circumstances and housing

needs change over time⁸. This creates a real opportunity for existing housing stock to become available for young families, if alternative housing options are provided for people that may not necessarily need large, detached housing, but require or have a desire to live in a certain location.

NEEDS

When considering housing affordability, it is important that a users' needs are distinguished from wants or desires. The perception of whether a certain housing market is affordable can easily be influenced by our desires to have a certain standard of living.

At a minimum, housing should provide its users with privacy, space, lighting, ventilation, basic infrastructure, and facilities to meet the everyday needs of its users⁹.

In addition to the above, the housing needs of people with a disability or those who require support at changing stages of their life, have different housing needs that remain critical to providing suitable housing for all people in our community.

This concept of need recognises that housing quality is critical to our everyday quality of life. In the context of the regulatory planning system, many of these needs are often controlled or regulated through the concept of amenity, whilst others are managed through building controls and construction standards. However, it must also be recognised that several of the basic needs are not necessarily regulated, which can lead to poor housing quality, especially at lower price points.

LOCATION

The location of housing is critical to its overall affordability. This is because people need to have access to housing that is proximate to suitable employment opportunities, access to services and other essential needs such as social engagement opportunities.

Whilst a dwelling in a fringe location may be more affordable, the true costs need to consider the infrastructure investment and environmental impacts on establishing new communities in urban fringes, together with the on-going direct and indirect costs to new occupants in terms of being isolated from accessible employment and required social services.

In addition, traditional approaches to city and regional settlement patterns have exacerbated income segregation within our cities, which has the potential to lead to significant social issues such as increased crime. As such, the need for location to be considered in housing strategies is critical, as we need housing supply that provides locationally appropriate housing and mixed income neighbourhoods.

SUMMARY

These principles provide the framework to provide the right types of housing, in the right locations, supported by the right type of infrastructure to meet the evolving needs of the local community in a sustainable manner.



ITINERARY

Australia is not the only country facing growing housing affordability issues. My seven (7) week Fellowship investigated global solutions to housing affordability through face-to-face interviews with planners, architects, elected officials, housing experts and community advocates from the below organisations.

USA: PORTLAND, OREGON

- City of Portland
- Habitat for Humanity Portland Region
- Home Builders Association of Metropolitan Portland
- Home Forward
- Housing Land Advocates
- Innovative Housing Inc.
- JET Planning
- Portland Planning and Sustainability Commission Members
- Metro
- Oregon Department of Land Conservation and Development
- Sightline Institute

USA: MINNEAPOLIS - SAINT PAUL, MINNESOTA & WISCONSIN

- Aeon
- City of Minneapolis
- Habitat for Humanity Twin Cities
- Hamline University
- Metropolitan Council
- Mill City Consulting
- Minnesota Housing Partnership
- University of Minnesota
- Worthington Advisors

USA: NEW YORK

- Enterprise Community Partners
- Fifth Avenue Committee
- Manhattan Institute
- New York Housing Conference

- New York State Association for Affordable Housing
- NYC Department of City Planning
- NYU Furman Center for Real Estate and Urban Policy
- NYU Marron Institute of Urban Management
- Regional Plan Association
- Slate

UK: LONDON

- BusinessLDN
- Greater London Authority
- Karakusevic Carson Architects
- London School of Economics and Political Science
- London YIMBY
- Royal Town Planning Institute
- Stripe
- Transport for London
- University College London – Bartlett School of Planning
- Urban Design London

UK: BRISTOL & BATH

- Bristol City Council
- Bristol Housing Festival
- Curo
- Elim Housing Association
- Homes England
- University of Bristol

DENMARK: COPENHAGEN

- Aalborg University
- Municipality of Copenhagen
- Realdania / The Knowledge Centre for Housing Economics
- University of Copenhagen

SWEDEN: STOCKHOLM

- City of Stockholm
- Nordregio
- Public Housing Sweden

ITINERARY CONTEXT

It is important to recognise that the cities I visited as part of my Fellowship are experiencing many of the housing affordability issue being faced in Australia. In some of the cities, the affordability crisis is arguably worse than current situation in Australia. However, it was the ongoing escalation of the housing affordability issue that led to these cities taking innovative actions.

The original inspiration for my Fellowship was the bold policy framework implemented in Minneapolis (USA), to encourage greater housing diversity by removing single family zoning. However, as shown through the city profiles presented overleaf, population size, housing tenures and the desires/needs of the community play a critical role in the composition of each city's housing challenge.

The factors contributing to the affordability challenge in each city I visited, presented unique opportunities to learn about how different policy levers could be leveraged.

This ability to compare both the issues being faced in each city in terms of housing affordability, along with the land use planning tools being used to address the problem, has allowed me to develop a framework of recommendations that combines the key elements from various jurisdictional approaches. The knowledge and recommendations gleaned from my Fellowship simply wouldn't have been possible without the analysis and comparison of different jurisdictional approaches, recognising that simply implementing another jurisdictions approach in isolation would not fit the Australian context, in terms of our economic and societal structure.

HOUSING ISSUES IN VISITED CITIES

The consistent message in every city I visited, was that they were experiencing their own form of housing challenges, with different drivers and pressures affecting housing affordability.








To gain a greater appreciation of these different drivers and pressures, I asked each interviewee to identify what they considered to be the top three (3) housing issues in their city. Their responses have been aggregated to identify the typical issues in each of the cities, presented in **Figure 3**.

Other than New York and Stockholm, general affordability and a lack of affordable housing was consistently identified as the top housing issue. Importantly, most organisations that I met with identified that many of the other housing issues stemmed from the primary issue of affordability. Key worker housing was also raised consistently in each jurisdiction as a key subset of the growing affordability issue.

Whilst planning issues and land supply are often overstated as the cause of housing issues, they were only in the top three (3) issues identified by interviewees in New York, London, and Stockholm.





















The need to provide a variety of housing types (in terms of style, size, tenure etc) was often raised, particularly by the planners and community representatives that I interviewed. This is a fundamental issue that we are facing in Australia.

Figure 3: Analysis of top 3 housing issues by city (based on interviewee responses)

TOP HOUSING ISSUES	 PORTLAND	 MINNEAPOLIS-SAINT PAUL	 NEW YORK	 LONDON	 BRISTOL & BATH	 COPENHAGEN	 STOCKHOLM
AFFORDABILITY / LACK OF AFFORDABLE HOUSING	1	1		1	1	1	
HOUSING SUPPLY GENERALLY	2		1			3	1
QUALITY OF HOUSING				2	2		
CONSTRUCTION COSTS / VIABILITY OF DEVELOPMENT			2		3		
RACIAL & INCOME SEGREGATION		2				2	
LAND VALUE / AVAILABILITY OF LAND				3			2
PLANNING ISSUES (APPROVALS / ZONING / CONSTRAINTS / TIMING)			3				3
DISPLACEMENT FROM REDEVELOPMENT		3					
LACK OF INVESTMENT	3						

CITY PROFILES

Key statistics, housing profiles and affordability information is outlined below for the cities that formed part of my Fellowship. This information provides critical context not only to my Fellowship itinerary, but also will assist in understanding the jurisdictional analysis presented in the key observations section of this report. I have also included three (3) Queensland cities, to enable comparison between the international jurisdictions visited as part of my Fellowship and the conditions applying to both urban and regional areas within Queensland, including my hometown, Cairns.

	 BRISBANE	 GOLD COAST	 CAIRNS	 PORTLAND	 MINNEAPOLIS-SAINT PAUL	 NEW YORK	 LONDON	 BRISTOL	 COPENHAGEN	 STOCKHOLM
POPULATION	 1,242,825	 625,087	 166,943	 2,104,238	 2,650,890	 8,804,190	 8,899,375	 472,400	 1,366,301	 978,770
AREA (KM ²)	1,343	414	1,691	1,345	2,628	778	1,659	110	183	188
DENSITY (POPULATION / KM ²)	925	1,509	98	1,564	1,109	11,313	5,671	4,294	7,457	5,206
DWELLING TYPES	63% DETACHED / SINGLE FAMILY 37% ATTACHED / MULTI FAMILY	57% DETACHED / SINGLE FAMILY 42% ATTACHED / MULTI FAMILY	73% DETACHED / SINGLE FAMILY 26% ATTACHED / MULTI FAMILY	64% DETACHED / SINGLE FAMILY 33% ATTACHED / MULTI FAMILY	68% DETACHED / SINGLE FAMILY 31% ATTACHED / MULTI FAMILY	17% DETACHED / SINGLE FAMILY 83% ATTACHED / MULTI FAMILY	8% DETACHED / SINGLE FAMILY 92% ATTACHED / MULTI FAMILY	6% DETACHED / SINGLE FAMILY 90% ATTACHED / MULTI FAMILY	5% DETACHED / SINGLE FAMILY 92% ATTACHED / MULTI FAMILY	24% ONE-TWO DWELLING HOUSES 72% ATTACHED / MULTI FAMILY
AVERAGE PERSONS PER DWELLING	2.5	2.5	2.4	2.26	2.52	2.63	2.47	2.3	2.0	2.1
DWELLING TENURE										
AFFORDABILITY RATIO (MEDIAN DWELLING VALUE / MEDIAN INCOME)	9.9	9.8	5.78	7.3	4.9	10.5	13.7	9.7	8.9	14.28

Based on Local Government Area
Sources: 2021 Census, Google, Australian Financial Review

Based on Gold Coast Local Government Area
Sources: 2021 Census, Google, Australian Bureau of Statistics

Based on Cairns Local Government Area
Sources: 2021 Census, Google, Australian Bureau of Statistics

Based on Portland Urban Area
Sources: Sources: 2020 Census, Construction Coverage, Census Reporter, Portland Housing Bureau

Based on Minneapolis-Saint Paul Urban Area
Sources: 2020 Census, Construction Coverage, Census Reporter

Based on New York City area
Sources: 2020 Census, Construction Coverage, Census Reporter, New York City

Based on Greater London administrative area
Sources: 2021 Census, Plumplot, Trust for London, Greater London Authority

Based on Bristol local authority area
Sources: 2021 Census, Plumplot, Bristol City Council, Statista

Based on the City of Copenhagen area
Sources: Numbeo, Statistics Denmark, Housing Nordic

Based on the Stockholm municipality area
Sources: Statistics Sweden, Numbeo, Housing Nordic, Point2



PART 2

KEY OBSERVATIONS

THE ROLE OF PLANNING

It is important to recognise that whilst the land use planning system is one factor that influences housing supply, it is only one of several parts that influence the highly complex Australian housing system. As identified in **Figure 4**, the key range of factors which influence the supply of housing in Australia is diverse and often varies based on changing:

- Macro and localised market conditions;
- State legislation and statutory planning frameworks; and
- Community aspirations, desires and needs.

One of the key roles of planners and the land use planning system is to develop effective and responsive policies that enable the delivery of diverse and well-located housing that reflects both the communities needs and aspirations.

A fellow planner that I interviewed in Portland, Oregon (USA) adeptly summed up the role of planning:

IT SHOULD FACILITATE GOOD AND DIVERSE HOUSING, THAT IS WELL LOCATED AND MEETS OUR HUMAN NEEDS IN SOCIETY.

Throughout my Fellowship, there was a largely consensus view that good planning is fundamental to a long-term solution to our housing affordability crisis.

As part of my discussions in London, most interviewees agreed that the removal of planning controls because of red tape reduction programs has led to poor outcomes, such as industrial activities and housing being collocated. Preventing these outcomes is one of the foundational elements of the land use planning system. It is a stark reminder that planning controls have critical roles in shaping our neighbourhoods and upholding the minimum standards of amenity that ought to be expected. Planning is a fine balance, one where the level of controls needs to be balanced against the needs of the whole community, rather responding to a vocal minority, which is often the issue in Australia.

However, the ability for planning policy levers on their own to drive an outcome is limited. Once again, a planner in Portland shared some judicious views which I think are true for many places around the world, in that:

1. **DEVELOPMENT SITES NEED TO BE ABLE TO PHYSICALLY ACCOMMODATE DIVERSE HOUSING TYPES;**
2. **PEOPLE HAVE TO WANT DIFFERENT HOUSING; AND**
3. **FINANCE AND FUNDING IS REQUIRED TO BUILD MORE DIVERSE HOUSING.**

These components are not within the realm of direct influence of the planning system. They are much broader problems, that come back to physical, economical, and societal factors that impact upon the delivery of housing.

LAND VALUES

Whilst planning is only one factor that impacts housing supply, it is important to recognise the fundamental link between planning controls and land values.

This really occurs in two ways, the first being increases to land value because of changes to the underlying planning provisions of a site which impact its development potential. The second is less common, but involves additional value attributed to a site because it has the benefit of a specific planning approval.

As I will explore, several jurisdictions have introduced mechanisms within their land use controls that essentially seek to capture a proportion of the planning uplift for affordable housing delivery. This is something not yet being implemented in Australia.

These international approaches demonstrate that land use planning policy is a platform that can be used to slowly and indirectly influence economic and social factors. This role of the land use planning system to drive change in the long-term cannot be underestimated.

Figure 4: Key factors influencing the delivery of housing



LEADERSHIP & COMMUNITY CHANGE

Arguably, the need for leadership, both in the professional and political realms, to support necessary community change is one of the most fundamental findings of my Fellowship. The response to our housing crisis needs to be multi-faceted and as planning is just one factor that influences housing supply. However, it cannot be understated that the challenge of addressing housing affordability is large and will require significant changes to our neighbourhoods.

Whilst this goes to the core of land use planning, as a profession, the need and foundation for change in our neighbourhoods is often misunderstood and opposed. Whilst there are several reasons for this and it shouldn't all rest with the profession to resolve, the way in which we collectively prepare communities for change must be at the forefront of our work.

This reimagining of our way of life, requires fearless leadership at both a political and professional level. Politically, this task is even harder, when the existing community that often oppose change, represents a large part of a politicians existing voting base. They are often people who already have a foothold on the property market. We need to shift the collective thinking at both the political and community level to be one that is future focussed and human centric, that wants to encourage positive change, that welcomes new neighbours and diverse housing.

It was this problem that originally led me to applying for the Fellowship. To research global jurisdictions where significant land use planning policy change had been supported by a strong social licence at the community level.

JURISDICTIONAL ANALYSIS

The approach in this section of the report is a little different to other upcoming sections, as its less policy focussed and more about the way in which leadership, at a political and community level, supported policy change. As such, the jurisdictional analysis is more my personal views and key take out from my interviews about the way in which policy change occurred and the ongoing advocacy role in each city.

USA: PORTLAND, OREGON

At a political level, the two key legislative reforms in Oregon, State of Oregon passed House Bill 2001: Housing Choices (**HB 2001**) and State of Oregon House Bill 2003: Housing Needs and Production (**HB 2003**), were championed by Tina Kotek, who at the time was the Speaker of the Oregon House. Since the completion of my Fellowship, Tina Kotek has been elected as Governor of Oregon and continues to focus strongly on housing and homelessness policy reform and initiatives. This political leadership, including Tina's policy advisory team, ultimately were the enabling leadership that led to the successful introduction of zoning reform in Oregon.

However, the way in which these reforms started is quite interesting. It was the City of Portland who started the early development work on the policy outcome relating to enabling missing middle housing. However, the Council's initial work was never finalised due to local politics. This resulted in the initial work that had been completed by the City of Portland, being

championed at the State level and progressed by the Oregon Department of Land Conservation and Development (**DLCD**) at a technical level and Tina Kotek at a political level.

There are also strong advocacy and community interest groups in Oregon that are focused on land use planning. One such notable organisation is Housing Land Advocates, who are a volunteer run organisation dedicated to use land use planning, education, and law to ensure that Oregonians of all income levels can obtain adequate and affordable housing¹⁰. The organisation is made up of planners, attorneys and researchers who are very active in advocating for land use planning tools, whilst also serving as a watchdog in relation to ensuring State and local governments fulfill their housing obligations.

Similarly, 1000 Friends of Oregon is a non-profit organisation with a significant staff base of more than ten employees that is also focussed on land use planning advocacy. The history of the organisation can be traced to the early 1970's when the urban growth boundary in Oregon was introduced. Since this time, they have strongly advocated and defended, through legal avenues, the urban growth boundary. More recently, they have increased focus towards housing affordability under their policy agenda of Great Communities. A review of media articles relating to HB 2001 shows that the organisation was a strong and vocal support of the zoning reform to encourage greater housing diversity.

The combination of strong political leadership and several community groups meant that the debates about land use planning policy are often much more balanced. This isn't to say that the community response is always positive, but views for and against are clearly at the forefront of the policy debate. This is unusual in the Australian context, especially given these organisations are community led, rather than being affiliated with professionals from the industry.

These organisations also play a critical role in community discussion and education about land use planning matters. They bring the discussion to the forefront and bring a positive voice to the debate about the need for change.

The other key observations in relation to Oregon that is worth discussing is the media coverage of land use planning matters. Organisations such as the independent, non-profit think tank, the Sightline Institute, not only provide research, but assist in disseminating land use planning, housing, and transport policy. This level of media coverage for land use planning and policy matters is something that is not often seen in Australia. It is something, that along with the community organisations, would contribute to improving community awareness and education about land use planning issues.

Overall, the combination of political, community, research and media efforts mean that policies such as state-wide zoning reform, which is a major change for the community, can be progressed with a level of social licence. The preparedness of the community for change is enhanced through their collective knowledge and interest in land use planning and housing outcomes. Whilst this may not be a positive, the homelessness issue in Portland itself was quite bad during my visit and I suspect this issue is driving some of the heightened awareness and interest regarding housing policy.

USA: MINNEAPOLIS, MINNESOTA

Just like Oregon, the land use policy change in Minneapolis was successful because of strong political leadership. The policy reform was championed by the then Minneapolis City Council President, Lisa Bender. Prior to becoming a politician, she was practitioner in land use and transport planning, as a qualified planner¹¹.

There was also a strong technical team at Minneapolis City Council who continue to deliver policy reform under the *Minneapolis 2040* plan agenda. The zoning changes were canvassed based on a powerful moral argument that sought to resolve racial and economic inequalities in Minneapolis¹².

Notwithstanding, the changes were not introduced overnight and were the result of incremental policy change that sought to improve community readiness for change. Five years before the single family zoning changes were put forward, Minneapolis progressed reform to allow accessory dwellings units. The same perceived fears existed at the community level when this policy change was introduced, but when the fears didn't materialise, the community sentiment started to shift.

It is also important to acknowledge that Minneapolis City Council delivered a highly effective and wide-reaching community engagement program associated with the Minneapolis 2040 plan. The engagement process ran over multiple years and included deliberate actions to reach members of the community who wouldn't normally participate, encouraging broad and diverse perspectives.

This engagement effort was supported by an umbrella advocacy organisation Neighbourhoods for More Neighbours. The advocacy group, who are aligned with the YIMBY (Yes in My Back Yard) movement, was created alongside the Minneapolis 2040 engagement process. They are solely focussed on the housing crisis and seek to create complete neighbourhoods – with the slogan:

MORE NEIGHBOURS – YES, PLEASE!¹³

The group was highly active in the project engagement process, even encouraging people to wear purple shirts at Council meetings so supporters could find one another¹².

The *Minneapolis 2040* plan was also supported by several powerful and influential organisations, the Association for the Advancement of Retired People, labour unions, tenant rights organisations and climate change activist groups.

It wasn't all positive, with a range of critics who advocated against the plan. They ran a campaign that used red signs stating "Don't Bulldoze our Neighbourhood" which are said to have proliferated certain suburbs, including some more wealthier parts of Minneapolis¹².

Whilst the *Minneapolis 2040* plan was adopted and significant work has already been completed with major policy amendments and implementation, it remains subject to legal challenge from opponents.

Nevertheless, the value of meaningful, extensive, and wide-ranging community engagement cannot be understated in the success of achieving major policy change. Although, it must be

combined with strong political leadership and community voices willing to speak out for change.

This combination is rarely seen in Australia. Whilst YIMBY movements are starting to establish, they are yet to have the exposure or community reach to effect major change. There is a real need to generate discussion at a community level about our housing crisis, to start the incremental change journey that is arguably overdue.

UK: LONDON

The current policy framework in London is a clear example of how political leadership is key to addressing housing affordability. A range of policy changes were implemented through the London Plan, following Sadiq Khan's election as Mayor of London.

The broad sweeping changes to the inclusionary zoning policy, in addition to funding for affordable housing, following the Mayor's election, was discussed by a number of interviewees. This political will, which has been evident in several jurisdictions comes from election platforms where housing is a key agenda.

In addition, the strength of the YIMBY movement in London is unparalleled, particularly in relation to their ability to instigate real policy change. The London YIMBY movement conceptualised the Street Votes policy that is progressing through the legislative amendment process, which will be discussed in more detail in later parts of my report.

This is significant achievement for a pro-housing advocacy group to not only develop such an innovative policy idea, but to progress it to the point where it will soon be embedded in national legislation. There were two key factors which supported this outcome, the concept was developed in detail, in collaboration with a think tank who undertook extensive research. Secondly, a very significant coalition of supporters for the policy were assembled before the idea was publicly released. This effort of building a coalition of support was likely the driving factor in how this idea has gone from conceptualisation to legislation.

It reinforces the importance of community led leadership in relation to land use planning and housing policy. There is no doubt that communities must be more receptive of change for the housing crisis to be addressed. However, there needs to be strong advocates and leadership if this is to be a reality.

HOUSING STUDIES

Technical studies are an important element that should always underpin and provide the policy foundations for land use planning. Housing studies at a local and regional level provide an important evidence base about the demand and supply factors and the makeup of the community.

This data should then inform policy decisions about dwelling types, distribution and need. Whilst housing studies to date have focussed on whether the land use planning system provides sufficient supply, normally based on an assessment of suitably zoned land, often housing production (i.e. the conversion of the theoretical planned capacity to actual realised dwellings) has not been well understood.

Additionally, housing studies completed for land use planning exercises have often focused on the need, without exploring the discrete need for affordable housing, including key worker housing. There is a need for housing studies to explore housing demand at a finer grain level, including the need for different housing typologies and tenures, to ensure that any policy recommendations are responsive to the communities evolving needs.

JURISDICTIONAL ANALYSIS

Whilst the approach taken by different jurisdictions in relation to housing studies wasn't an initial focus of my Fellowship, in both Portland and London, it was frequently discussed as part of my interviews.

This led me to reflect on housing studies I have personally been involved with and the public discourse about the housing crisis in general. This only reinforced my view that having a robust evidence base to our land use planning framework is critical, not only to the policy outcomes themselves, but also to the conversation with both the community and industry.

For this reason, I have outlined below some of the best practices approaches to housing studies for land use planning that were discussed during my Fellowship.

USA: PORTLAND, OREGON

In July 2019, the State of Oregon passed HB 2003 which focused on housing needs and production in cities with a population of over 10,000 people in Oregon. There was three key parts to HB 2003 as shown below.

Figure 5: Overview of key limbs of Oregon House Bill 2003¹⁴



The first element was a pilot state wide regional housing analysis (RHNA). The remaining two parts are the responsibility of local authorities and outline a legislative approach for housing studies. The approach is a two-step process, first involving a housing needs

analysis (HNA) and the second being a housing production strategy (HPS).

HB 2003 requires cities in the Portland metropolitan area to update their HNA at a minimum every six (6) years and requires each city to adopt its HPS within 12 months of the HNA being adopted. There is also a requirement for a mid-period review, ensuring that strategies remain current in the context of evolving housing market conditions.

The concept of the HNA is generally comparable with the way in which housing studies are undertaken in Australia. The Oregonian approach requires cities to demonstrate that their comprehensive land use plans, provide sufficient buildable land to accommodate estimated housing needs for a 20-year time horizon.

The concept of buildable land is distinct from land supply, as it not only captures vacant land planned for residential uses, but also land for residential infill/redevelopment and mixed-use development land. Where the HNA shows there is insufficient capacity to accommodate the housing need, the local authority is required to take actions to amend its planning policy to ensure the capacity shortfall is addressed.

The second part of the two-step process is where the difference in approach is observed. The HPS is required to be prepared by local authorities and must include a list of specific actions the city will undertake to promote development within the city to address the identified housing need¹⁵. A HPS must include as a minimum:

- **Contextualised Housing Need:** An analysis of current and future housing needs in the context of population and market trends. This information is generally based on the work completed as part of the HNA.
- **Engagement:** There is a requirement that a HPS be informed by engagement with both housing consumers and housing providers.
- **Strategies to Meet Future Housing Need:** The HPS must identify specific actions, measures and policies needed to address the city's housing needs. Each identified strategy must:
 - have a timeline for adoption and implementation;
 - an estimated magnitude of impact, such as the tenure and income groups the strategy will address and the number of housing units anticipated to be created; and
 - a timeframe over which the strategy is expected to deliver the required housing.
- **Achieving Fair and Equitable Housing:** This requires the HPS to outline how it achieves equitable outcomes with regards to the location of housing, fair housing, housing choice, housing options for residents experiencing homelessness, affordable home ownership, affordable rental housing, gentrification, displacement, and housing stability.

In addition to the above technical elements, local authorities are required to detail how they will measure the strategy implementation progress.

To assist local authorities in developing their HPS, the DLCD developed a toolkit of actions and policies that an authority could put forward to address their housing needs. The toolkit is a comprehensive list of resources arranged under the categories shown in **Figure 6**.

Figure 6: Categories for housing tools, strategies, and policies¹⁶

Category A		Zoning and Code Changes
Category B		Reduce Regulatory Impediments
Category C		Financial Incentives
Category D		Financial Resources
Category E		Tax Exemption and Abatement
Category F		Land, Acquisition, Lease, and Partnerships
Category Z		Custom Options

As shown above, the HPS takes a much more holistic view of the housing system than what is typically undertaken for land use planning. This approach recognises that planning is only one factor that influences the overall health of the housing system. Cities when analysing their housing requirements need to implement broad strategies to support housing production that meets the varied needs of our communities.

As also noted, the mandated requirements for the HPS includes specific requirements to outline how the strategy is providing fair and equitable housing. This broad theme covers housing affordability and housing choice, amongst other outcomes. It seeks to ensure that strategies are responding to the diverse housing needs of communities.

At the time of undertaking my Fellowship, local authorities were still in the preparation stage of both their HNA and HPS. As such, it is too early to objectively assess whether this new approach to housing studies will provide meaningful outcomes.

Over time, the experience in Oregon should be monitored, as it is a unique approach that seeks to ensure housing studies more properly consider and respond to the issues of housing supply and demand, but also housing production.

There is also an important takeaway that housing studies must be prepared on a more frequent basis and continually monitored. Conditions in the housing market can change quite quickly and it is easy for planning policies to be outdated, given studies are often eight (8) to ten (10) years old.

UNITED KINGDOM

At a national level in the UK, guidance is provided about how councils are to assess their housing needs. The guidance contains a range of extensive information about how councils are to calculate their housing need, which is not dissimilar to the way in which councils in Australia complete a housing needs analysis as part of their land use planning policies.

However, the guidance differs in relation to calling out specific requirements about calculating the need for affordable housing.

This UK guidance provides the following high-level steps in relation to affordable housing:

- A) CALCULATE AFFORDABLE HOUSING NEED;
- B) DETERMINE UNMET GROSS NEED FOR AFFORDABLE HOUSING;
- C) DETERMINE THE NUMBER OF NEWLY ARISING HOUSEHOLDS LIKELY TO BE IN AFFORDABLE HOUSING NEED;
- D) CALCULATE THE TOTAL AFFORDABLE HOUSING SUPPLY CURRENTLY AVAILABLE;
- E) ASSESS THE RELATIONSHIP BETWEEN CURRENT HOUSING STOCK AND FUTURE NEEDS; AND
- F) DETERMINE THE TOTAL ANNUAL NEED FOR AFFORDABLE HOUSING.

This approach is a deliberate way of specifically analysing the need for affordable housing and ensuring that housing targets for both market rate housing and affordable housing are appropriately calibrated to satisfy community needs.

In addition to the above requirements, the UK planning system includes a Housing Delivery Test, which is a mandatory annual measurement of housing delivery for a local plan making authority¹⁷. The Housing Delivery Test is a percentage measurement of the total net homes delivered over a three year period, measured against the total number of homes required over the same period based on the housing need calculation¹⁷. The results of each local authorities Housing Delivery Test are published by the national government.

Importantly, the NPPF identifies consequences should a local authority not meet its housing requirement. Where the Housing Delivery Test shows that delivery of new housing has fallen below 95 percent, the authority must prepare an action plan to assess the cause of under-delivery and the action it will take to support increased housing delivery in future years⁴⁹.

This approach to frequent monitoring and testing at a local authority level is critical to ensuring that policies are continually evaluated and adjusted. For too long, land use planning policies have often been time damaged before implementation and infrequently reviewed. Given the rapid pace of change, particularly in the housing market, land use planning policy should be more nimble.

The NPPF also suggests that local authorities should consider imposing a planning condition requiring the construction of housing development to begin in a period that is shorter than the default period⁴⁹.

This is a concept that is particularly interesting, as longer currency periods for planning approvals could be seen to support an increased level of market speculation, which in turn impacts on land values. It also means the development assessment system can be slowed down by applications that are unlikely to proceed to construction. This will require a shift in culture, so that as development proposals come forward there is a stronger likelihood that the project will proceed onto construction. This is a critical tool that local governments could use to encourage more timely housing delivery.

ZONING FOR SINGLE FAMILY HOMES

The practice of exclusionary zoning involves land use controls that significantly restrict the types of housing that can be built in a particular location or neighbourhood. These controls often limit development to a single detached family home and can include other restrictions, such as minimum lot sizes.

Whilst the origins of exclusionary zoning in countries like the United States can be traced back to racial segregation, in Australia it has a much more modern history. The post war housing boom in Australia was driven by the ideological construct of the Great Australian Dream, which was centred on a single detached family home, with a backyard. It is this concept that led to the rapid rise of Australia's suburban settlement pattern and underpinned our current exclusionary zoning practices.

Our low density suburban living environments are arguably some of most protected parts of our urbanised areas in terms of the regulatory planning framework. Often, any intensification beyond a single detached family dwelling is not permitted, although some jurisdictions have started allowing auxiliary dwellings or granny flats as the pressure of the housing crisis grows.

Exclusionary zoning is one of the most significant restrictions within the land use planning system that is impacting housing supply and diversity. As such, there is also significant opportunity for changes to these controls to reshape our neighbourhoods and create more diverse housing options.

JURISDICTIONAL ANALYSIS

Detailed jurisdictional analysis regarding approaches taken in Portland, Oregon and Minneapolis, Minnesota in the United States is provided below. These two metropolitan areas in the United States were among the first to introduce legislation which mandated housing choice and removed restrictions limiting development in certain neighbourhoods, which previously only permitted single detached family homes.

These two metropolitan areas share characteristics that are similar to many Australian cities in that they are car dominant cities that have until recently been developed through suburban expansion.

The issues of exclusionary zoning are not as prevalent in the United Kingdom or European cities that I visited, largely because of the traditional settlement pattern in these cities supports a more dense form of development.

Notwithstanding, innovative approaches are being progressed through legislative reform process in the United Kingdom, which provides an innovative way of increasing housing diversity.

USA: PORTLAND, OREGON

In July 2019, the State of Oregon passed HB 2001, which provided timeframes for cities in Oregon to remove single family exclusionary zoning policies and increase housing choice.

HB 2001 was a mandatory requirement that applied a tiered approach based on the size of individual cities with Oregon, as follows:

- **Medium Cities:** Cities outside of the Portland Metro boundary with a population between 10,000 and 25,000 people were required to allow duplex developments 'as of right' on each lot or parcel zoned for residential use that previously allowed for the development of detached single family dwellings; and
- **Large Cities:** Cities with a population above 25,000 and all cities in the Portland Metro boundary were required to permit the following development types 'as of right' on each lot or parcel zoned for residential use that previously allowed for the development of detached single family dwellings:
 - Duplexes;
 - Triplexes;
 - Quadplexes;
 - Cottage clusters; and
 - Townhouses.

Both medium and large cities were permitted to regulate siting and design of these housing typologies, referred to in the Oregon legislation as middle housing. However, the legislation was clear that local regulations cannot, individually or cumulatively, discourage the development of middle housing types in a neighbourhood through unreasonable cost or delay.

The key policy intent of HB 2001 was to increase the supply of middle housing. In particular, HB 2001 doesn't limit the construction of single detached family homes but seeks to achieve housing diversity by allowing up to a quadplex to be built 'as of right' in suburban and low density residential environments. This is an important distinction, as there could be a perception that the policy approach seeks to stop or prevent single detached dwellings being constructed. That is not the case, but rather, it's about providing housing choice, by removing the exclusionary policies, which only allow for single detached family homes to be constructed in suburban areas of the city.

Cities were provided with a timeframe of between twelve (12) and eighteen (18) months to adopt the mandatory requirements, allowing them time to develop the allowable design and siting requirements. The legislation allowed for the implementation timeframes to be extended on an application basis, where cities demonstrated that infrastructure constraints would prevent them from implementing the middle housing outcomes. Any requests for extensions of time were required to be supported by a plan to remedy the deficiencies in those services.

One of the most important limbs of HB 2001 is the clear restriction on controls that would add costs or prevent the delivery of middle housing. The DLCDC prepared model codes for both medium and large cities that could be adopted to support the implementation of the project. Relevantly, the model codes automatically applied if a city failed to adopt its own approved code within the nominated timeframe.

The way in which the middle housing legislation is implemented by individual councils is one of the most critical elements to the success of this initiative. Some of the key development controls that are regulated include:

- **Minimum Lot Size:** Cities cannot specify a minimum lot size for each typology that exceeds a certain limit. By way of example, the minimum lot size that can be stipulated for a

triplex is 5,000 square foot (464.5m²) and 7,000 square foot (650.3m²) for a quadplex.

- **Density Controls Not Permitted:** Cities are not permitted to apply maximum density controls to duplex, triplex and quadplex typologies.
- **Setbacks:** Cities cannot require setbacks greater than those applicable to detached single family dwellings in the same zone.
- **Height:** Cities cannot apply reduced maximum height standards than those applicable to detached single family dwellings in the same zone.
- **Parking:** Cities are restricted in terms of the number of parking spaces that can be required for each typology. Rather than specifying a minimum for each dwelling, it is based on the lot. The smaller the lot size, the less parking required. In relation to parking, it is noted that as a further incentive to encourage middle housing, Portland City Council does not require any off-street parking for middle housing in single family dwelling zones.

The Oregon zoning approach seeks to lower the bar for home ownership, through increased housing choice and providing diversity of rental stock. It is not intended to be a short-term fix to the housing affordability crisis, with numerous interviewees suggesting its part of a 20-30 year plan.

A few of the interviewees spoke to a mixed sentiment when HB 2001 was introduced, with many common concerns about density and loss of character being raised. A key part of the process was demystifying the character argument, so there was a general understanding that attachment to place and resistance to change is different to housing character.

Several cities also raised concern about the State legislation taking away their zoning powers and concerns about taking a one size fits all approach. However, it was this approach that was likely the key to it being successfully enacted into legislation. It didn't allow for a NIMBY response because it applied equally to every neighbourhood. Whilst the change process was no doubt abrupt for some members of the community, this blanket approach has merits in overcoming the ever-growing issues about densification and housing choice.

Additionally, the approach taken which applies the mandatory requirements equally to all neighbourhoods, reflects the desired policy outcome of creating more diverse housing. This approach supports the intended gentle density outcome, through the spreading of potential development across the entire city. Unlike rezoning certain areas, which can lead to a quicker level of intensification, this approach is more likely to see long term gradual change. This approach is a more sympathetic approach to achieving increased housing diversity in areas that are predominantly single detached family homes.

USA: MINNEAPOLIS, MINNESOTA

Minneapolis City Council was the first jurisdiction in the United States to introduce changes to their regulatory planning framework to remove single family zoning. In October 2019, the Minneapolis City Council adopted its new comprehensive plan, *Minneapolis 2040*.

Whilst the plan deals with a wide range of land use planning matters such as transportation, economic development, environmental systems and open space, housing is a key element of the plan. Policy 1 of the Plan relates to access to housing and is focussed on increasing the supply of housing and its diversity of location and types¹⁸.

There are six actions steps identified in *Minneapolis 2040* to assist in achieving increased housing supply and diversity, being:

- A) ALLOW HOUSING TO BE BUILT IN ALL AREAS OF THE CITY, EXCEPT IN PRODUCTION AND DISTRIBUTION AREAS.
- B) ALLOW THE HIGHEST-DENSITY HOUSING IN AND NEAR DOWNTOWN.
- C) ALLOW MULTIFAMILY HOUSING ON PUBLIC TRANSIT ROUTES, WITH HIGHER DENSITIES ALONG HIGH-FREQUENCY ROUTES AND NEAR METRO STATIONS.
- D) IN NEIGHBORHOOD INTERIORS THAT CONTAIN A MIX OF HOUSING TYPES FROM SINGLE FAMILY HOMES TO APARTMENTS, ALLOW NEW HOUSING WITHIN THAT EXISTING RANGE.
- E) IN NEIGHBORHOOD INTERIORS FARTHEST FROM DOWNTOWN THAT TODAY CONTAIN PRIMARILY SINGLE-FAMILY HOMES, ACHIEVE GREATER HOUSING SUPPLY AND DIVERSITY BY ALLOWING SMALL-SCALE RESIDENTIAL STRUCTURES WITH UP TO THREE DWELLING UNITS ON AN INDIVIDUAL LOT.
- F) ENCOURAGE INCLUSION OF UNITS THAT CAN ACCOMMODATE FAMILIES IN NEW AND REHABILITATED MULTIFAMILY HOUSING DEVELOPMENTS¹⁸.

The initial proposal put forward by the Council was to allow up to four (4) dwelling units in all residential areas that previously only permitted single detached family dwellings. However, this was reduced to three (3) dwellings units as part of the negotiations that occurred prior to the adoption of the final Minneapolis 2040 plan¹⁹.

In relation to built form controls, the requirements are the same irrespective of the typology proposed. This meant the allowable building envelope on a site didn't change when the policy was introduced, rather you could simply achieve three dwellings in the same building envelope that previously only accommodate a single detached dwelling. The key built form controls include:

- **Floor Area Ratio:** 0.5.
- **Building Height:** 2.5 storeys and 28 feet (approximately 8.5 metres).
- **Setbacks:** Side setbacks are based on lot width rather than building height. Where a lot width is less than 50 feet (approximately 15 metres), the minimum setback is 5 feet (approximately 1.5 metres).
- **Site Coverage:** 45 percent.
- **Minimum Lot Area:** The prescribed minimum lot area is variable based on the district in which the lot is located. It ranges from 5,000 square feet (approximately 464m²) to 6,000 square feet (approximately 557m²).
- **Parking:** Parking regulations was a separate policy outcome of the *Minneapolis 2040* plan. Amongst the parking policy changes progressed, minimum parking requirements were

removed citywide for all uses. As such, no parking was required for the development of up to three (3) dwelling units in suburban areas.

As part of the *Minneapolis 2040* Plan, Council produced the below vignette to illustrate the potential streetscape outcome that could be delivered in neighbourhoods across Minneapolis.

Figure 7: Built form vignette from *Minneapolis 2040* Plan showing potential streetscape outcome for suburban areas²⁰



To monitor the effects of the Minneapolis 2040 plan housing policies, Minneapolis City Council partnered with the Federal Reserve Bank of Minneapolis. They have developed a dashboard that monitors a range of housing indicators including new housing and the mix of housing structure types. Importantly, from a policy comparison perspective, the implementation dashboard uses a statistical procedure called synthetic control, which allows for the statistics to be analysed with and without the effects of the *Minneapolis 2040* plan over time²¹. At the time of writing this report, there is insufficient data in the dashboard to fully understand the effects of the *Minneapolis 2040* housing policies. Over time, this dashboard will provide critical insights for jurisdictions around the world looking to implement similar planning policy changes.

Whilst the development of the *Minneapolis 2040* plan involved a two (2) year consultation process, there was still strong opposition to key parts of the plan, including the change to end single family zoning. It is an example of why bold leadership, both at a technical level and a political level is necessary to progress these type of policy changes.

In describing the initial community reaction, Minneapolis Mayor Jacob Frey noted:

EVERYBODY'S FOR AFFORDABLE HOUSING AT THE MACRO LEVEL UNTIL YOU START TALKING ABOUT PUTTING IT ANYWHERE IN THE VICINITY OF WHERE THEY LIVE - THEN SUDDENLY THERE'S MASSIVE PUSHBACK²².

The Mayor also noted what I consider to be the cornerstone of why such policy approaches need to be advanced, noting that:

CITIES ARE IN CONSTANT EVOLUTION, AND WE'VE LIMITED THAT EVOLUTION BY MANDATING THAT TWO-THIRDS OF THE CITY IS EXCLUSIVELY SINGLE FAMILY²³.

Whilst several interviewees noted that there were the usual people who did not support the changes, overall, there was support for the plan and in the end that support outweighed those against the plan. Whilst the plan has been adopted, campaigners against

Minneapolis 2040 took legal action to halt the implementation of the zoning reform. At the time of writing this report, it is understood that this legal action remains ongoing and subject to the court process.

Former Minneapolis City Council President Lisa Bender, who is also a qualified town planner, was responsible for spearheading the policy agenda at a political level. She described the policy change as a:

VERY MODERATE AND INCREMENTAL APPROACH²⁴.

These comments reflect the long-term nature of the policy approach. It will not be a quick fix to the city's housing affordability issues, but it sets the city on a trajectory for more diverse neighbourhoods into the future.

UNITED KINGDOM

At the time of writing this report, the *Levelling-up and Regeneration Bill (LUR Bill)* is currently progressing through the United Kingdom parliamentary process which proposes several changes to the regulatory planning framework.

Amongst the changes proposed through the LUR Bill, is a concept named Street Votes. The idea was initially conceptualised by the YIMBY Alliance (Yes in My Back Yard) and later developed into a detailed policy proposition by Policy Exchange, a UK based think tank.

The LUR Bill Explanatory Notes identifies that Street votes is a new planning consent regime that enables residents to vote on whether development should occur on their street subject to meeting certain requirements. It is intended to encourage residents to consider the redevelopment potential of their own streets, by supporting gentle increases in densities²⁵.

In essence, the proposal transfers the plan making power from a local authority to the community, allowing the residents of a street to bring forward the development outcomes they want to see. To be transferred into a permanent planning permission, a minimum of two thirds of the street must support the proposal.

As the innovative planning concept is still progressing through the legislative process, many of the finer grain details have not yet been released or tested. However, modelling undertaken by the Policy Exchange as part of their initial report into the reform suggested that even based on conservative assumptions about build cost and aversion to change, the policy could create a further 110,000 homes each year over the next 15 years above current estimates.²⁶

While the idea remains untested, there are several positives including the potential impact this policy could have on new housing in the UK. It also takes away the political risks associated with densification of suburban neighbourhoods. This cannot be understated, as political barriers to this type of change were commonly identified by several interviewed stakeholders.

However, the approach also comes with some potential shortcomings that should be monitored once the legislation has been introduced. In a time when most jurisdictions are seeking to simplify their regulatory planning frameworks, this concept introduces a complex process for individual streets to deviate

from standard planning rules that may apply to them, to achieve densification.

In addition, when compared to policy approaches in Portland and Minneapolis, from an implementation perspective, this approach will only work where the residents in a particular street support development. There is a risk that this could lead to increased income segregation if the Street Vote densification only occurs in areas of lower socio-economic areas.

The policy approaches in Portland and Minneapolis apply without bias across their entire city and advance a more inclusive approach to achieving housing diversity. Whilst I think the housing crisis facing cities globally, calls for these types of innovative solutions; this approach seems to be a work around to overcome the roadblocks caused by local politicians. This reinforces the importance of bold and forward-thinking leadership, both at a political and professional level, to ensure we are planning for the long-term strategic growth of our cities.

The outcomes delivered through Street Votes should be monitored over time as a potential solution that other jurisdictions may seek to implement.

Figure 8: Affordable housing delivered through inclusionary zoning policies as part of the Bryggens Bastion project in Copenhagen



REGULATING THE PROVISION OF AFFORDABLE HOUSING

To address the growing housing affordability crisis being felt in many large cities around the world, jurisdictions are now using their land use planning system to regulate the provision of affordable housing. This practice, known as inclusionary zoning or inclusionary housing, is an intervention by government that either mandates or creates incentives so that a proportion of a residential or mixed-use development is affordable housing.

Whilst there have been historic examples of such practices in Australia, it has generally been limited to precinct and/or master planned development on government land sold for redevelopment purposes. In these cases, as part of the tender or contract of sale, a proportion of affordable housing has been mandated.

However, in almost all cities visited as part of my Fellowship, inclusionary zoning is now standard practice, albeit the implementation approach is quite different between jurisdictions.

There is no escaping that this approach is a strong government intervention into the economics of housing. However, there was also broad acknowledgement from most interviewees across every jurisdiction that this was necessary given the shortcomings in relying on the market to solve this issue itself.

Inclusionary zoning is a way of partly capturing the value created by the land use planning system and requiring it to be used for the provision of affordable housing. As evidenced in the jurisdictional analysis presented below, the level of intervention relates to the quantity of affordable housing and is generally commensurate with the size of the city and the corresponding housing market pressures being felt in that city.

JURISDICTIONAL ANALYSIS

Prior to the jurisdictional analysis, I would like to share a personal reflection. Before I left on the Fellowship, I had a view that inclusionary zoning was not a good policy approach as it seeks to intervene and manipulate ordinary market conditions. However, the extensive discussions over the course of my Fellowship about inclusionary zoning have changed my view. As part of an overall suite of tools and where carefully implemented, I am now of the view that it can significantly assist in the delivery of affordable housing and it a critical tool that should form part of our land use planning system moving forward.

As outlined below, nearly every city visited as part of my Fellowship has an active inclusionary zoning policy in place. The scale of these policies, both in terms of their application and requirements vary significantly between jurisdictions.

The below analysis shows the role and impact of an inclusionary zoning in addressing affordable housing. Whilst it shows inclusionary zoning won't solve the problem, it is a tool that should be used as part of a broader suite of solutions to address housing affordability.

USA: PORTLAND, OREGON

The City of Portland introduced an inclusionary housing policy in early 2017, as a citywide requirement that applies to all buildings

with twenty (20) or more units. The rate of inclusionary housing required and the associated incentives are calibrated based on geography within the city. In addition, the minimum requirement is that housing provided under the program must be at a minimum of 80 percent of the Area Median Income (AMI), with incentives provided to developments which reach below 60 percent AMI.

To provide implementation flexibility, the City of Portland allows the following five (5) options to developments to meet the inclusionary housing requirements:

- **Build affordable housing onsite at 80 percent Median Family Income (MFI):** In the Central City and Gateway Plan district areas, 20 percent of the units must be affordable. For the rest of the city, the inclusionary housing requirement drops to 15 percent. The city provides property and excise tax exemptions for the affordable housing, density, and floor area bonuses (which varies by zone and district and includes prescribed maximums) and standard development charge exemptions (which are similar to infrastructure charges).
- **Build affordable housing onsite at 60 percent MFI:** This option reduces the amount of affordable housing required to be provided, as the minimum affordability level is increased. In the City Centre and Gateway Plan district there is a 10 percent inclusionary housing requirement and an 8 percent requirement for the rest of the city. The same incentives, as listed above for onsite affordable housing at 80 MFI, for this option.
- **Building offsite:** Applicants can elect to build affordable housing off-site in another new development. The receiving building must provide affordable housing that it would otherwise be required to provide, plus additional housing from the development that elected to build offsite. The additional requirements from the development that choose to build offsite, are 20 percent at 60 percent MFI or 10 percent at 30 percent MFI. The percentage of affordable housing is calculated based on the number of units in the development that are seeking to build offsite, not the building that is accommodating the affordable housing units.
- **Designate existing units:** Applicants can elect to designate affordable housing in an existing building. Once again, the rates are based on a percentage of total units in the development that is seeking to provide the inclusionary housing in existing units, rather than the receiving development. This option requires 25 percent of the total units to be provided at 60 percent MFI or 15 percent of total units at 30 percent MFI.
- **Fee in lieu:** The final option allows developments to pay a fee in lieu of providing affordable housing. Fees are established by the Portland Bureau of Housing and are charged on a price per gross square feet of the new development.

As shown above, the policy prioritises onsite affordable housing, over offsite or fee in lieu. This policy preference is achieved by escalating the requirements as you move through the options. By way of example, a development in the City Centre only needs to provide 20 percent affordable housing units at 80 percent MFI, whereas if the applicant elects to designate these units in an existing building, that requirement is 25 percent at a lower affordability level of 60 percent MFI.

Affordable housing provided under the policy is required to maintain market comparable quality, size, bedroom composition and unit distribution in the building. The policy does allow for the larger affordable houses to be provided through a specific reconfiguration test, which ensures the same number of bedrooms for affordable housing is provided.

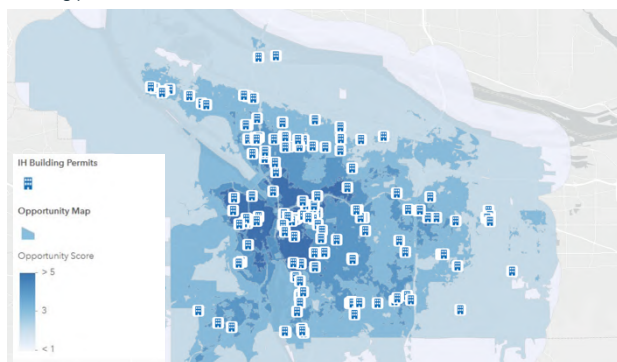
The affordable housing units must be maintained for a period of 99 years. The Portland Bureau of Housing notes that in the five years the policy has been in effect, 1,313 inclusionary housing units have been provided from 92 private development projects. The Bureau also states that this is equivalent to more than \$196.9 million-dollar (USD) [approximately \$282.9 million AUD⁴⁷] public subsidy from privately funded developments²⁷.

When the policy first commenced, it was estimated that the City of Portland had a shortage of over 22,000 affordable houses. As such, over the five year period since inclusionary housing has been mandatory, the program has only made a very small contribution to addressing this shortfall in affordable housing.

Whilst the number of inclusionary houses provided under the program may seem small, these types of programs are not intended to address the affordability problem in themselves. It is a suite of policies that need to collectively address the problem, acknowledging that public funding to supplement privately funded affordable housing through the program will always be required. However, the 1,300 affordable housing units are more than likely additional stock that would not have otherwise been provided given limitations in public expenditure.

One of the successful outcomes of the policy is the distribution of inclusionary housing projects throughout Portland. As shown in **Figure 9**, the inclusionary housing projects are extremely well distributed through the city. This distribution outcome significantly advances work towards mixed income neighbourhoods and ensures that affordable housing is provided in a range of locations, improving options and access to employment and services.

Figure 9: Map of Portland showing location of inclusionary housing building permits²⁷



At the time of writing this report, the City of Portland was in the process of undertaking a Calibration Study in relation to their inclusionary housing program.

USA: MINNEAPOLIS, MINNESOTA

As was the case with Minneapolis's change to single family zoning, the *Minneapolis 2040* plan was the impetus that led to the implementation of the Minneapolis inclusionary zoning program.

The program mandates the provision of affordable housing and splits requirements based on whether the development involves market rate rental housing or ownership housing.

For development involving market rate rental housing of more than 20 units, there is six options to achieve compliance with the inclusionary zoning policy, being:

- Provide 8 percent of units, affordable at or below 60 percent AMI for a period of twenty (20) years; or
- Provide 4 percent of units, affordable at or below 30 percent AMI for a period of twenty (20) years; or
- Seek financial assistance from the Council to offset lost revenue and provide 20 percent of the units, affordable at or below 50 percent AMI for thirty (30) years; or
- Pay a cash fee in lieu of providing affordable units onsite; or
- Produce the required units off-site or preserve existing affordable housing within half a mile of the market rate project; or
- Donate land to the Council.

In addition to the above, there is a requirement that if a project of more than 100 units involves the demolition of units more than 50 years old, the inclusionary housing requirement is whichever is greater of either eight (8) percent of the new units or the number of units older than 50 years that are to be demolished.

Whilst not yet in effect, the requirements for developments involving ownership tenure, the inclusionary zoning requirement will be that at least four (4) percent of the units are occupied by households with an income at or below 80 percent AMI.

A key element of the Minneapolis inclusionary zoning policy is a phasing in of the requirements for unit rental developments between 20-49 units and for projects involving ownership tenure. These temporary provisions will last until six (6) months after the first 500 units within each of those categories have been approved and permitted. This style of implementation assists in the market adjustments necessary and mitigates risk of unintended consequences, following the introduction of an intervention based policy such as inclusionary zoning.

As part of its policy monitoring program, Minneapolis have developed a detailed dashboard to track projects under the inclusionary zoning policy. This is not only important to monitor the success or otherwise of the program, but also to provide transparency in relation to the thresholds when the temporary exemptions will end.

Based on the last data update provided in August 2022, since the introduction of the inclusionary zoning program, a total of 18 projects involving 2,505 dwelling units have been permitted²⁸. Of those, a total of 103 affordable onsite dwelling units have been provided and there were five (5) projects that elected to provide the affordable housing either offsite or via an in lieu fee payment²⁸. Given the infancy of inclusionary zoning in Minneapolis, it is too early at this stage to objectively assess the quantity of affordable housing provided, especially given the temporary exemptions that apply as part of the phased implementation.

However, even comparing just the two approaches between Portland and Minneapolis, it is clear there are a range of key

differences. The key variances relate to the affordability requirements, the number of affordable units required and the tenure length. This really reinforces that any inclusionary zoning policy needs to be highly tailored and reflect the realistic condition of the housing market in which it is located.

USA: NEW YORK

Inclusionary housing in New York dates to 1987, when it was first introduced through a voluntary program. In 2016, the city introduced mandatory inclusionary housing for areas rezoned for housing growth. Both the voluntary and the mandatory inclusionary housing policies continue to operate in New York, as summarised below.

Voluntary Inclusionary Housing

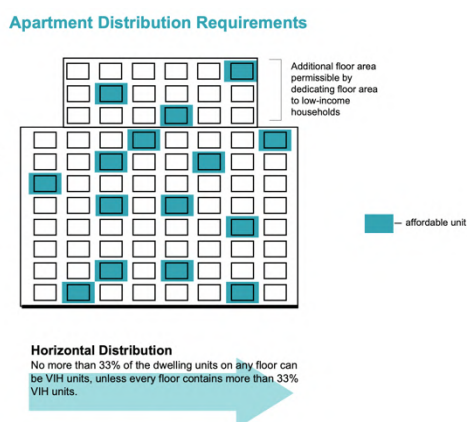
New York's voluntary inclusionary housing program offers developers optional floor area ratio (equivalent to plot ratio) bonuses, for the creation, rehabilitation, or preservation of permanently affordable housing.

In R10 Zoning Districts (equivalent to a high density residential zone), a developer can increase their maximum floor area ratio from ten (10) to twelve (12) (equivalent to a 20 percent uplift) by providing affordable units for residents with incomes at or below 80 percent AMI. The bonus floor area is provided on a sliding scale, with the bigger bonuses provided for new affordable housing provided without public funding, which reduces for preservation of affordable housing and further reduces to the lowest bonuses for affordable housing delivered with public funding.

In addition to the above, Inclusionary Housing Designated Areas can be listed by a Borough and Community District. The same principle applies in that the provision of affordable housing allows for bonuses increasing the development's maximum floor area ratio.

As shown below, the policy has specific requirements about the horizontal and vertical distribution of the affordable units, ensuring the units are well distributed within the building, to avoid segregation of the affordable units onto a lower level for example.

Figure 10: Apartment distribution requirements associated with New York's voluntary inclusionary housing policy²⁹



In addition, the policy includes specific requirements regarding bedroom mix and unit size requirements.

One other important element of the policy is that the floor area bonus does not need to be used onsite as part of the development

where the affordable units are being provided to generate the bonus. However, where the bonus is to be used for an offsite project, it must be within the same Community District or an adjacent Community District within ½ mile from the site that contains the affordable units.

Mandatory Inclusionary Housing

The New York mandatory inclusionary housing policy only applies where land is rezoned, as part of a city led neighbourhood plan process or through a private rezoning application.

The requirements, which apply to developments involving ten (10) or more units, are variable based on areas and are designated as part of the rezoning process. There are four categories, which are:

- 25 percent of the residential floor area must be for affordable housing for residents with incomes averaging 60 percent AMI; or
- 30 percent of the residential floor area must be for affordable housing for residents with incomes averaging 80 percent AMI; or
- Deeply Affordable Option – 20 percent of the residential floor area must be for affordable housing for residents with incomes averaging 40 percent AMI; or
- Workforce Option – 30 percent of the residential floor area must be for affordable housing for residents with incomes averaging 115 percent AMI.

Under the mandatory inclusionary housing policy, affordable housing will be permanent, with no expiration on the affordable designation. In addition, where the affordable housing units are to be provided offsite, an additional five (5) percent must be provided. Similar restrictions to the voluntary mandatory housing also apply to ensure the affordable housing is distributed within the building amongst market rate housing.

Between its inception and 2019, the mandatory inclusionary housing policy applied to 38 developments and a total commitment of 2,065 affordable dwellings³⁰. Meanwhile, over a comparable period, the New York voluntary inclusionary housing project was utilised by 181 projects, resulting in 8,746 affordable houses³⁰. The spatial distribution of these projects is shown in Figure 11.

Some of the shortcomings of the mandatory inclusionary housing policy are that rezoning had been limited to lower income areas, where it was unfeasible to deliver development based on the policy context or where public funding is being used to deliver urban renewal projects³⁰. In addition, several interviewees suggested that shortcomings in associated tax exemptions is another key issue.

On the other hand, the voluntary program has resulted in affordable housing being located diversly throughout the city, even in more affluent areas.

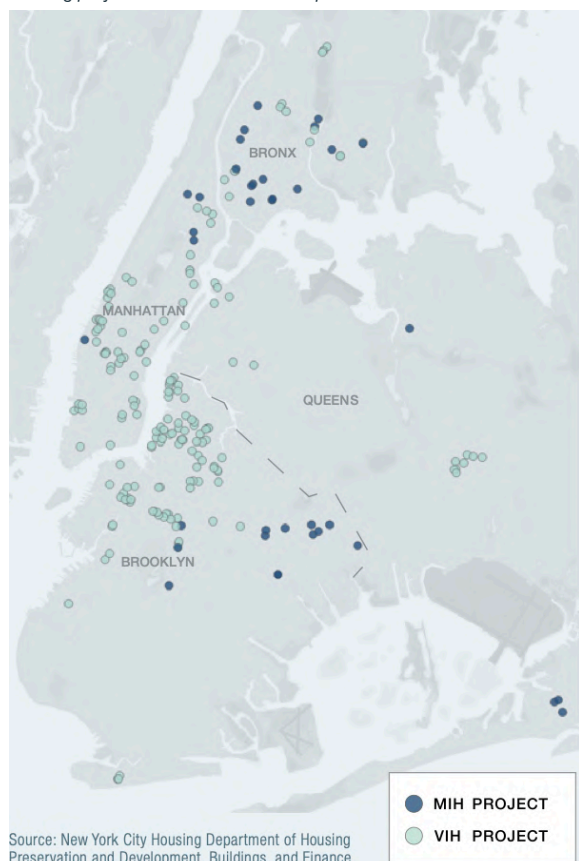
The issues being faced in New York are not going to be dissimilar to what will likely be faced in Australia. A mandatory system that only applies at the point of rezoning is a sound way to capture the value uplift created by land use planning. However, its application is then significantly limited, especially in cities where community opposition to urban change may prevent rezoning, and therefore

limiting the potential for affordable housing through an inclusionary housing program.

In this context, the benefits of a voluntary program are likely to have a higher take up rate and result in a more sizable supply of affordable housing.

Importantly, both are highly reliant on tax subsidies in the New York context. This is an important policy consideration when seeking to understand the financial implications of introducing an inclusionary housing policy.

Figure 11: Spatial distribution of mandatory and voluntary inclusionary housing projects in New York as of September 2019³⁰



UK: LONDON

The NPPF provides a consistent policy position to guide local governments in relation to several land use planning outcomes, including affordable housing. The NPPF identifies that where a local authority has a need for affordable housing, this should be done onsite.

The NPPF also suggests that the provision of affordable housing should not be sought from residential developments that are not major developments. The definition of major development in the NPPF in relation to residential development is for development of ten (10) or more homes or the site has an area of 0.5 hectares or more⁴⁹. In these developments, the NPPF identifies that planning policies should expect at least ten (10) percent of the total number of homes to be for affordable home ownership⁴⁹.

Viability

The concept of viability is a critical element in the UK land use planning system, both at the plan making stage and in relation to development assessment.

From a plan making perspective, there is an expectation that plans should set out contributions expected from development, including the levels and type of affordable housing provision, in addition to other infrastructure requirements. These policies are to be informed by evidence of infrastructure and affordable housing need and a proportionate assessment of viability.

At a concept level, this approach to policy is sound and seeks to ensure there is a strong evidence base, with an overlay of deliverability. Its purpose seeks ensure that policies are relative and that the cumulative costs of all relevant policies will not undermine deliverability. There is extensive guidance provided about how plan making viability assessments should be approached. One of the key principles is that local authorities are not expected to assess the viability of every site, rather they should take a typology approach, grouping sites with shared characteristics and development outcomes.

The NPPF states that where up-to-date policies specify the contributions expected from development, planning applications that comply with those requirements should be assumed to be viable⁴⁹. This shifts the onus to an applicant if they wish to demonstrate that circumstances have changed and as such warrants a viability assessment to be submitted at the application stage.

If an applicant seeks to challenge the affordable housing provision requirements through a viability assessment, they must use the standardised inputs that would have applied at the plan making stage.

Based on discussions with interviewees, policy reform was undertaken with regards to the approach in determining land value, as this was one of the areas often challenged by developers, who sought to use the price they purchased the property for as the land value. In this scenario, a developer could overinflate the purchase price, as a mechanism to avoid providing affordable housing. The revised approach includes clear input requirements for land value calculation, including a specific benchmark for identifying a premium to the land owner, to represent a reasonable incentive to bring forward land for re-development.

The national level guidance also identifies that a 15-20 percent of gross development value may be considered a suitable return to developers, although this can be varied to suit different development types³¹. It is important to note the potential risk is accounted for in the assumed return to developers and the onus to mitigate these risks is the role of the developer, not a plan making consideration.

Section 106 Agreements

Where a development is required to contribute to the provision of affordable housing, this requirement is generally secured through agreement between the developer and the local authority in relation to planning obligations under Section 106 of the *Town and Country Planning Act 1990*.

These Section 106 agreements are a mechanism which make a development proposal acceptable in planning terms, by mitigating the impact of the development. Whilst they are commonly used for securing affordable housing, they can be used for a range of matters including infrastructure contributions or to restrict the use of the development in a specified way.

The NPPF includes requirements about when planning obligations can be sought, when all the following tests are satisfied:

- A) **NECESSARY TO MAKE THE DEVELOPMENT ACCEPTABLE IN PLANNING TERMS;**
- B) **DIRECTLY RELATED TO THE DEVELOPMENT; AND**
- C) **FAIRLY AND REASONABLY RELATED IN SCALE AND KIND TO THE DEVELOPMENT.**

The London Approach

Whilst each individual local authority in London can set their own affordable housing targets, this report will focus on the policy objectives of the London Plan and the associated Affordable Housing and Viability Supplementary Planning Guidance 2017 (SPG).

At its highest level, the London Plan identifies a target for 50 percent of all new homes in London to be genuinely affordable. Through the SPG, a threshold approach to viability was introduced to set out a more consistent, certain, and transparent process for assessing planning applications, with a focus on accelerating planning decisions³².

The threshold approach applies where a development of more than ten (10) units provides 35 percent affordable housing without public subsidy and where not involving public land. This requirement increases to 50 percent where the development involves public land.

The approach offers a fast-track route, which means development proponents are not required to submit viability information at the applications stage. In addition, approvals are only subject to reviews if the development has not reached an agreed level of progress within two years of planning approval being granted.

Where a development scheme does not meet the fast-track criteria, then the Viability Tested Route applies, which requires proponents to submit detailed viability information about the development. These developments are also subject to ongoing reviews post approval, which means that affordable housing contributions can be introduced if viability improves over the course of the development.

The threshold approach adopted in London is intended to act as an incentive for developers to provide affordable housing at the nominated levels, or be subject to a higher level of scrutiny, which in turns increases costs and delays development.

The percentage of affordable housing is measured based on habitable rooms to ensure that the affordable homes are provided in a range of sizes, including family sized homes.

The SPG is clear that the nomination of a 35 percent affordable housing threshold is a deliberate policy that seeks to embed affordable housing requirements into land values.

As part of the support to achieve the Mayor of London's goal to achieve 50 percent of all new homes being affordable, the SPG also includes a fixed grant that is provided to developer led projects that provide or exceed 40 percent affordable housing.

Finally, the SPG restricts the use of the fast-track route to developments where affordable housing is only provided onsite. A development seeking to provide offsite affordable housing or cash in lieu are required to provide the full viability assessment.

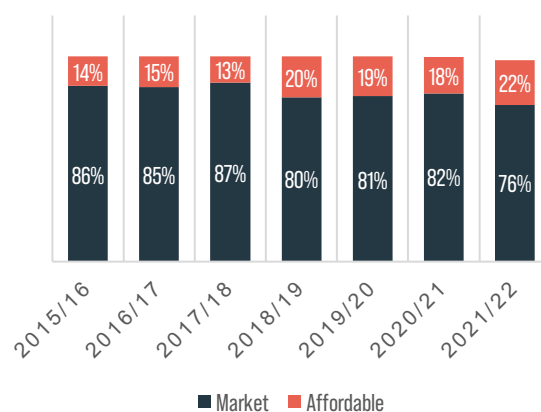
The SPG also contains provisions which ensures the transparency of information submitted as part of a development viability assessment. This seeks to ensure that where a development does not satisfy the threshold approach, its viability reporting will be publicly released, as is standard with other development application materials.

London's Affordable Housing Progress

The threshold approach to the provision of affordable housing was introduced following the appointment of Sadiq Khan as the Mayor of London in 2016. As such, the policy has been in place sufficient time (more than five (5) years) to see if there has been positive change in the provision of affordable housing.

The Greater London Authority provides an online datahub that enables progress against planning and housing objectives to be tracked. As shown below, prior to the introduction of the threshold approach, affordable dwellings represented 13-15 percent of average residential completions. This has increased to between 18-22 percent following the change in policy.

Figure 12: Extract from Planning London Datahub showing residential completions, by tenure type³³



Whilst the above data shows an increase in the delivery of affordable housing, a larger increase is evident in the data when considering residential approvals, rather than those that were constructed.

Nevertheless, the data whilst showing a positive trajectory, is still short of the 35 percent policy target and significantly short of the political objective that half of all new London homes are genuinely affordable. In this regard, it is also relevant to note that the data shows that since 2017/18, overall housing construction has failed to meet the target for new homes, with total number of new homes being built each year often only reaching on average between 70-80 percent of the target dwellings for the same period.

Notwithstanding, the policy is still delivering a significant quantum of new affordable houses. Over the seven (7) year period analysed in Figure 12, a total of 42,986 new affordable housing units were provided in London.

Whilst this is no doubt still a shortfall when compared to the need for affordable housing in London, compared to jurisdictions like Australia where no mandatory affordable housing is being delivered by the private sector, this policy approach provides a significant tool in addressing housing affordability.

Although several interviewees identified that the viability testing made the system unnecessarily complex, this type of approach to implementing inclusionary zoning policy does seek to manage and mitigate the potential impacts of market intervention. It certainly provides a transparent way for development proponents to justify the affordable housing requirements render the development unviable.

One of the most critical learnings that should be taken from the London approach is the need to design the policy in a way that over time embeds and corrects underlying land values. Once land values take into account the need to provide affordable housing, this should resolve any longer-term impacts on development viability. Additionally, it will also provide a mechanism for the delivery of new affordable housing, interspersed with private market housing to create mixed income neighbourhoods.

UK: BRISTOL

The information presented above within the section on London contains information about the NPPF, viability assessment and Section 106 agreements which also apply in Bristol, given these are national planning outcomes in the United Kingdom. As such, this information is not repeated in this section.

The Bristol Approach

The Council's affordable housing policies are set out in the Bristol Local Plan. Residential development involving more than fifteen (15) dwellings is required to provide 40 percent affordable housing in the North West, Inner West and Inner East Bristol, whilst 30 percent affordable housing is to be provided in all other parts of the City.

The Local Plan also requires that the affordable housing is to be provided in a mix of tenure, size, and type. In addition, where development feasibility is affected, developers are expected to provide full development appraisals to demonstrate an alternative affordable housing provision.

Like the London approach, Bristol have implemented a threshold approach in their *Affordable Housing Practice Note July 2022*. This seeks to encourage the provision of affordable housing above current levels by applying a 20 percent affordable housing threshold approach to the Bristol Inner West and Bristol Inner East areas. The Council waives the viability assessment and provides a streamlined DA process, where the development provides 20 percent or more affordable housing and construction starts within 18 months of approval. The incentive is intended to offer certainty and less delays to developers but does not apply to development on Council owned land.

DENMARK: COPENHAGEN

The national planning legislation in Denmark was changed in 2015, to allow local municipalities to require up to 25 percent of new residential developments be used for affordable housing as part of the local planning process.

In the Copenhagen context, 25 percent of each new local plan is designated for affordable housing, with 40 percent affordable housing required for publicly owned land. This requirement is introduced when a local plan is prepared for a neighbourhood, so in

effect the requirement to deliver affordable housing is done when an area is identified for redevelopment or intensification.

As a result of the affordable housing requirement being integrated into the local plan process, it is a non-negotiable requirement for future development, unlike the UK system which is more flexible based on development viability. This is because planning in Denmark prevents the consideration of economics, as it is not considered a planning issue.

Some interviewees noted that the way in which the affordable housing requirements are linked to local plans, does limit their application, because the requirement cannot be introduced in areas that already have a local plan.

The local planning process is more fine grained than normally expected in the Australian planning system. The local plans in Copenhagen are more akin to masterplans that may be completed for large projects or precincts in Australia.

As such, the 25 percent affordable housing requirement is spatially nominated within the local plan at a very fine grain level. This approach seeks to ensure that the location is not inferior to the location of market rate development, because it is stipulated in the local plan.

In addition to the above, there are a range of associated policies that seek to manage the quality of affordable housing that is constructed. In addition to setting minimum sizes for apartments, these policies also deal with materials and suitability of the built form outcomes.

The approach taken in Copenhagen is quite unique in that the affordable housing is spatially shown as part of their local plans. This process would be difficult to translate into more flexible planning systems where fine grain details are often not resolved at the plan making stage.

Figure 13: Middle housing under construction in Merriam Park, Saint Paul



REGIONAL PLANNING

Regional planning seeks to deal with strategic and long-term land use outcomes, in a way that resolves cross border jurisdictional issues. Often regional planning will focus on high-level issues such as overall settlement patterns, infrastructure and growth issues that have a broader scale of application.

The importance of regional planning in relation to housing is critical. Housing markets and the affordability challenge are not exclusive to a particular jurisdiction. They often extend across entire metropolitan or regional areas. It is therefore critical that regional planning seeks to distribute housing growth equitably across a region, ensuring that affordability is addressed holistically.

JURISDICTIONAL ANALYSIS

A Churchill Fellowship is focused on global learnings, where recipients bring back knowledge that benefits the Australian community. However, given housing affordability is rapidly becoming a global problem, many of the people and organisations that I met with, shared shortcomings in their jurisdiction and questioned what was being done well in Australia.

Regional planning was one of the areas where several of the interviewees shared feedback about how regional planning could improve housing issues in their region.

As such, this section provides an overview of each jurisdictional approach, along with the reflections shared about the need for a robust regional planning framework.

USA: PORTLAND, OREGON

The framework of State and regional governance in Portland is somewhat unique in the United States and provides a stronger policy basis for achieving cohesive land use and housing outcomes. In fact, Portland was one of the jurisdictions where the regional planning approach was identified by most interviewees as being a positive and essential part of their governance and land use planning framework.

At a regional governance level, the Metro has responsibility for region wide planning and coordination of growth, infrastructure, and development. One of the key land use planning elements is the management of the Greater Portland Urban Growth Boundary. The responsibilities include a requirement for a six (6) yearly review of land supply in the urban growth boundary to ensure there is supply to meet the needs of a 20 year growth forecast.

The history of the urban growth boundary dates back to when agriculture and timber were the primary economic driver in Oregon. There was a strong political will at the time to protect these economic industries from being pushed out because of urban development. Now, the urban growth boundary also serves as a tool to promote compact urban development.

This system is very similar to the regional planning framework used in Queensland, where there is strong regulatory urban footprint used to contain urban growth and protect areas of regional and agricultural values. It is a planning tool that has and will continue to play a fundamental role in the overall settlement

pattern of our regions and supports regional coordination across local government boundaries.

USA: MINNEAPOLIS - SAINT PAUL, MINNESOTA & WISCONSIN

The framework for regional planning in Minneapolis and Saint Paul has several similarities to Portland, Oregon. A regional government framework is established which gives responsibility to planning and coordinating the growth and development of the metropolitan area to the Metropolitan Council.

Under State legislation, the Metropolitan Council is responsible for developing regional plans and policies, that must be reviewed at least every 10 years. The current regional plan, *Thrive MSP 2040*, sets out a range of policy positions addressing transportation, water resources, regional parks, and housing over a 30 year planning horizon.

There is a requirement for local jurisdictions to produce comprehensive land use plans that are in accordance with the regional planning framework. As part of the plan making process, the Metropolitan Council has a review process to check local planning frameworks remain consistent with the broader regional goals.

Whilst the system is somewhat like the regional governance model used in Portland, Oregon, there appears to be less control and oversight by the State and Regional governance levels in the land use planning system. Based on discussions held with stakeholders in the region, it appears that there is less direct control and oversight of local government policy.

As such, whilst the jurisdiction still has regional governance and policy frameworks, the overall effectiveness of these approaches is not as strong when compared to Portland.

USA: NEW YORK

In New York, the Regional Plan Association who is an independent non-profit organisation has led the development of regional plans for over 100 years covering the New York, New Jersey, and the Connecticut region.

This approach to regional planning is quite unusual, in that the organisation is independent of government and funded through support provided by businesses, government and individuals. Although, it is relevant to note that the population of New York city itself is larger than many regions around the world. So, the driver for regional governance isn't as important as the City of New York provides many of the services and functions that may otherwise be performed by a regional governance body, given the population size.

Over the course of their inception, they have produced four (4) regional plans, in addition to ongoing research and advocacy covering energy, housing, neighbourhood planning, transportation and governance.

The region and policy agenda of the organisation is akin to the work undertaken by the Greater Sydney Commission, yet they are an advocacy organisation that has essentially filled a gap in terms of regional planning.

Whilst the organisation has no doubt been highly successful over time and result in significant infrastructure and program

investment, this type of regional planning approach does have limitations given the lack of legislative power and authority held by the organisation.

UK: LONDON

The Greater London Authority (GLA) which was established in 2000 is the regional governance body of Greater London, encompassing 33 local government districts. At a political level, the GLA consists of the Mayor of London and a London Assembly.

The GLA has broad ranging regional governance responsibilities, including transport, policing, fire and rescue, development, and strategic planning. The London Plan which is produced by the Mayor of London and the GLA provides a coordinated land use plan for Greater London. The role and function of the London Plan is established through legislation which requires local Council to comply with the plan. The London Plan includes significant policy outcomes relating to housing, including affordable housing.

To uphold the planning provisions of the London Plan, certain development applications must be referred to the Mayor of London, including any which involving more than 150 residential units or developments over 30 metres in height. The powers allow the Mayor of London to take over the application thus becoming the local planning authority or the ability to direct a refusal of the development application³⁴. One reason for refusal could be that the development is not provided sufficient affordable housing.

Based on the jurisdictions visited as part of my Fellowship, the GLA approach to regional government is one of the strongest in terms of political representation and legislative powers. The functions of the GLA, its structure and legislative powers, are a consequence of the high number of local authorities. The local government structure makes a regional governance body like the GLA a necessity, especially to ensure matters such as land use planning and housing are addressed consistently with a board view that considers the needs of the entire Greater London area.

It is however relevant to note that the way in which the London Plan is structured is quite different to a regional plan which may be more commonly understood. That is because it is a set of policy objectives, which are heavily influenced by the political agenda of the Mayor of London, which must be complied with by the local governments within the Greater London area. Whilst it is developed with the support of technical staff within the GLA, the political view of the Mayor is the driving force behind the policy intent.

UK: BRISTOL

In Bristol, regional governance is administered by the West of England Combined Authority, which covers three (3) geographical areas including Bath, North East Somerset, Bristol and South Gloucestershire. The combined authority covers a broad range of regional governance agendas, including employment, innovation, business support, planning, housing, transport, and the environment.

The combined authority is led by a Regional Mayor who is democratically elected.

Whilst the combined authority has prepared joint infrastructure and housing strategies, the delivery of the regions spatial development strategy has been fraught with problems and

political challenges. As a result, work on a regional spatial development strategy which would be a masterplan for housing and jobs over a 20 year planning horizon, has been halted³⁵.

Without a regionally coordinated land use planning instrument, each local government is effectively proceeding with their strategic planning in isolation. This is particularly problematic given Bristol City Council is constrained in terms of available land and relies on its adjoining local governments to provide housing that can support the growing population.

This uncoordinated approach to regional planning is no doubt leading to issues in relation to land supply and housing delivery, with certain local governments effectively not wanting to accommodate Bristol's expanding population. It's an example that illustrates the importance of regional planning, so that invisible Council boundaries don't become dividing lines that give rise to inconsistent and uncoordinated planning. There is a real risk that this places even further pressure on housing markets, that are already strained.

DENMARK: COPENHAGEN

Whilst Denmark is broken into five (5) regions, the primary role of these administrative entities relates to healthcare. In addition, the administrative entities for the five (5) Danish regions are responsible for preparing Regional Growth and Development Strategies. These are however focussed on growth and employment, rather than land use planning.

However, regional planning for Copenhagen is still a fundamental part of the overall spatial land use planning system. The Danish Planning Act requires an overall plan for the Greater Copenhagen Area³⁶.

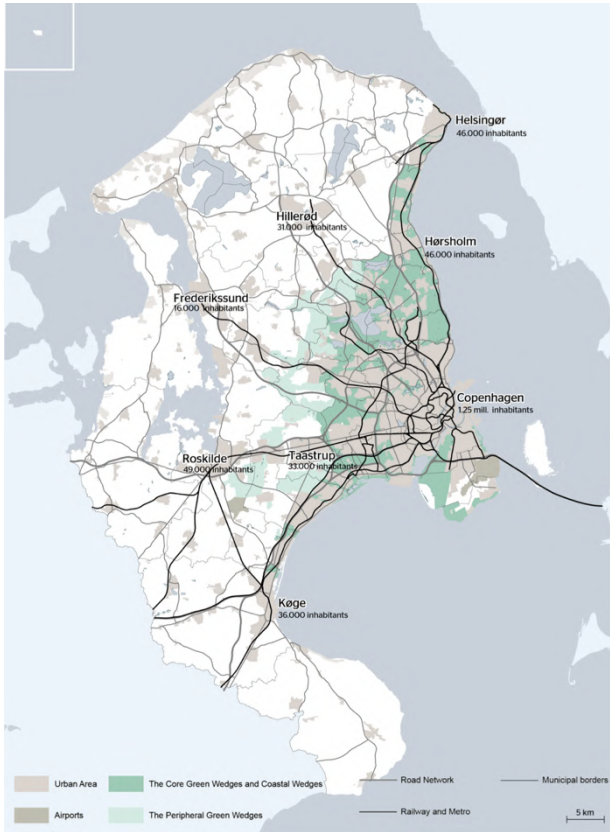
The settlement pattern of the Greater Copenhagen area has been developed since the first Finger Plan for the region was created in 1947. The plan, which continues to be known as the Finger Plan, provides a legislative tool to manage urban growth and ensure that development is concentrated along city fingers linked to the rail system and radial road networks³⁶. The plan also has clear regulatory requirements that protect green wedges that separate the city fingers and prevent urban development from occurring in these areas, as shown in **Figure 14**.

Whilst the Finger Plan provides clear guidance about the overall urban shape and settlement pattern of the Greater Copenhagen area, other matters such as housing are left to municipalities to manage through their comprehensive and local plans.

Whilst the Finger Plan was identified as being a highly positive land use planning tool that has significantly shaped the settlement pattern of Copenhagen, a few interviewees raised concerns about the lack of a metropolitan governance model.

Most of the concerns raised related to the City of Copenhagen having confined boundaries and limited development land. Like the issues being faced in Bristol, the continued growth of Copenhagen is putting housing pressure on the municipalities surrounding the City of Copenhagen.

Figure 14: Extract from *The Finger Plan* showing the planned settlement pattern of the Greater Copenhagen area³⁶



SWEDEN: STOCKHOLM

Sweden's governance structure is similar to Denmark, in that the national government is responsible for the overarching land use planning legislation. At a regional level, County Administrative Boards are established, which whilst having a primary responsibility for health care and public transport, they also have the ability to provide regional spatial planning.

The national planning legislation makes it mandatory for regional spatial planning to be undertaken for Stockholm, but this is a voluntary requirement for other regions³⁷. The regional spatial plan for Stockholm is relatively high level, although it does identify a specific target for the number of new homes to be built each year, along with a priority to increase housing construction to create attractive places to live.

Figure 15: View over Stockholm showing medium density housing typologies



SUPPLEMENTARY OBSERVATIONS

Given the wide variety of factors that influence housing affordability, throughout the Fellowship a range matters were discussed that were outside the key focus of my research and/or my area of expertise.

Nevertheless, these matters are an important part of the overall solution to improving the housing system. For this reason, I have provided a summary list of key supplementary observations below. These have not been investigated or researched in any detail, but they may provide thought provokers for others to research and or a starting point for ongoing discussions.

HOUSING FOR KEY WORKERS

- The provision of affordable housing for key workers was a common point of discussions amongst all cities visited on the Fellowship.
- Key works are people who perform roles that are essentially to the everyday running of a city or region, often providing essential services such as the healthcare, education, public safety, utilities, and transportation.
- Often, people employed in these jobs have difficulty renting or buying a house that meets their needs on the open market. However, their income means they are not eligible for subsidised or low-cost housing or if they are eligible, they often have extensive waiting periods as they are considered low priority.
- The Greater London Authority have defined Intermediate Housing as a subset of the broader definition of affordable housing with the NPPF. They also specify that 30 percent of all affordable housing being delivered in London should be allocated to tenures for intermediate housing, to provide housing for key workers.
- In the context of the housing crisis, which is resulting in a growing inequality divide, it is easy to overlook the needs of key workers. However, key workers unpin and sustain our cities and regions, given the essential roles they perform every day.
- It is critical that our housing policies prioritise affordable access to suitable housing, both in terms of location and housing types. Key workers are often overlooked but can be significantly impacted by a housing system that cannot keep up with demand.

RESILIENCY TO NATURAL HAZARDS AND CLIMATE CHANGE

- The need to improve resilience of housing in relation to natural hazards and climate change was consistently raised in nearly every city I visited as part of the Fellowship. Historically, housing has been built in areas where people want to live, even though this may also be the same place that has a high susceptibility to natural hazards.
- Key to the discussion is not only the importance of a design response to improve resiliency, but also the need for intervention to reduce the risks and costs of rebuilding homes in areas of high-risk natural hazards.

CAR PARKING REQUIREMENTS

- This was a very commonly raised topic of discussion. As has already been noted in the report, several jurisdictions in the US have already removed all minimum car parking requirements for residential development.
- The provision of off-street covered car parking places a further cost of the delivery of housing, both in terms of land for parking and the associated construction costs. So, whilst removing parking provisions is a potential solution, there is a need for those areas to be serviced by public and active transport infrastructure, so the policy change encourages less car dependency.

PHILANTHROPIC AFFORDABLE HOUSING FUNDINGS

- I was somewhat surprised that the non-profit housing providers in the US have large private donors that support the delivery of affordable housing.
- In general, the role and scale of affordable housing providers was much more significant when compared to Australia and this may in part be because the funding sources are more diverse.

FINANCING FOR SMALL SCALE, MIDDLE HOUSING DEVELOPMENTS

- Whilst a key focus of this report has been how to leverage land use policy to achieve more diverse housing, it is important to note that many interviewees identified common problems associated with obtaining finance.
- Issues associated with financing small scale residential development such as accessory dwellings, or a duplex was identified as a bigger barrier than any land use planning regulation.
- This is a problem common across many jurisdictions, including Australia. One interviewee noted that it's easy for banks to understand transitional subdivisions, but when it comes to boutique and small-scale developments, often delivered by unsophisticated developers, there is a low level of interest.

RENT CONTROL

- The introduction of rent control and rent stabilisation measures was discussed in several the cities visited as part of the Fellowship.
- It was clear that several jurisdictions introduced stronger tenant protection measures during the COVID-19 global pandemic.

LACK OF GOVERNMENT FUNDING

- There was a consistent view amongst most stakeholders that government funding for social and affordable housing had not kept pace with demand.
- Interestingly, the lack of government funding also extended to staffing levels in both housing and planning departments. This was also a common issue identified across a few jurisdictions.

IMPACT OF SHORT-TERM ACCOMMODATION

- The impact of short-term accommodation was often raised as contributing to the housing supply shortage, especially where private rental units are being converted to short-term accommodation.
- In several jurisdictions, it was noted that much of the self owned short-term accommodation remains unregulated, with authorities unable to keep pace with the compliance and monitoring of such activities.

HOUSING DESIGN

- The quality and functionality of housing design was raised in some cities visited. Whilst design and built form controls have been somewhat examined, there is a significant work to be addressed in this area.
- Several interviewees identified that often community angst or pushback stems from poor design of higher density development. They identified a need to lift the standard of housing design and increase the value placed on design.

BUILD TO RENT

- Build to Rent development models provide significant opportunity to address shortages in the rental sector, whilst enhancing security of tenure.
- There was a consensus that build to rent is different from more traditional housing tenures. Accordingly, it requires a policy response that is bespoke to support the delivery of build to rent projects.

GOVERNMENT LAND / PROJECTS

- There is a large opportunity to identify surplus government land that could be used to support increased housing supply.
- Several jurisdictions use government portfolios and projects as a tool for affordable housing delivery. For example, Transport for London have a major development pipeline, in which 50 percent of their property portfolio is being delivered as affordable housing.

MODERN METHODS OF CONSTRUCTION

- The use of modern methods of construction in the delivery of affordable housing provides a real opportunity to reduce costs and improve delivery timeframes.
- There is significant work being done through the Bristol Housing Festival in the UK that is seeking to assist local councils to deliver affordable housing at reduced costs and in a shortened construction timeframe.

Figure 16: Boligslangen ('the housing serpent') modular housing in Copenhagen





PART 3

RECOMMENDATIONS & IMPLEMENTATION

RECOMMENDATIONS

The recommendations from my Fellowship are summarised in the below framework. The framework provides a land use planning approach to assist in achieving increased housing diversity and affordability. The approach has been developed to enable its broad application, recognising the need for locationally specific responses to the different legislative frameworks that apply across Australia. The key concepts of the recommended framework are explained overleaf.

FRAMEWORK

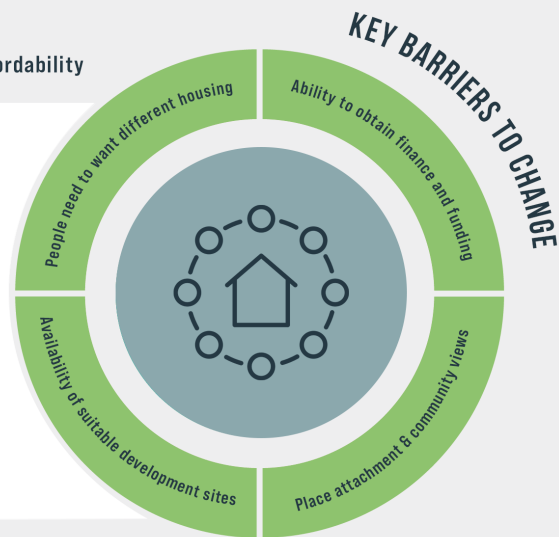
A land use planning approach for housing diversity and affordability

PURPOSE

An approach to reimagining the Great Australian Dream through facilitating diverse and affordable housing for growing communities.

One of the roles of planners and the land use planning system is to develop long-term policies that enable the delivery of diverse and well-located housing that reflects both the communities needs and aspirations. This framework has been developed as an outcome of my Fellowship, to challenge the traditional approach to land use policy for housing in Australia.

However, land use planning is only one part of the solution and this framework should be considered in the context of a broader suite of solutions that seek to address the systematic issues associated with housing affordability in Australia.



HOUSING AFFORDABILITY PRINCIPLES

Whilst the concept of affordable housing is relative, it should be assessed on these principles to ensure that it is considered in a broader context beyond just a person or family unit income.

- 1. CHOICE**
A variety of housing is available in terms of dwelling types, tenure and price points.
- 2. NEEDS**
Housing (type and supply) meets the users evolving needs throughout their life cycle.
- 3. LOCATION**
Housing is well located in terms of access to employment, services and amenity.



CRITICAL INFLUENCES

We need to shift the collective thinking at the political, technical and community level to be one that is future focussed, to encourage positive change and diverse housing.

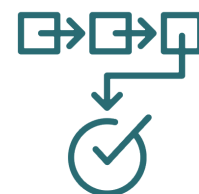
- **MEANINGFUL COMMUNITY ENGAGEMENT**
To build trust in the planning process
- **BOLD LEADERSHIP (POLITICAL AND TECHNICAL)**
To support the necessary community change
- **RESPONSIVE HOUSING STUDIES**
Housing studies that consider housing production and affordability needs, not just planned capacity, that are frequently reviewed and continually monitored
- **CHANGING THE NARRATIVE**
We should simply be focussing on the need for secure housing for everyone
- **COMMUNITIES WILLINGNESS TO EMBRACE CHANGE**
The way we prepare communities for change must be at the forefront of our work



RECOMMENDED APPROACHES

The recommend approaches from my Fellowship seek to provide tangible land use planning outcomes that can assist in addressing Australia's housing affordability crisis.

- **ENCOURAGE HOUSING DIVERSITY IN LOW DENSITY RESIDENTIAL AREAS**
To reimagine suburban neighbourhoods to provide housing that caters for the broad needs of our community, both now and into the future.
- **REGULATE THE PROVISION OF AFFORDABLE HOUSING**
To support the delivery of affordable housing through a mandatory inclusionary housing policy.
- **PROACTIVE AND LONG-TERM STRATEGIC PLANNING**
Strategic planning must have a long-term vision. The plans we put in place now will setup our cities and regions for future generations.
- **REGIONAL PLANNING**
Regional plans should manage housing growth, diversity and affordability. Regional plans should be regularly reviewed and resolve cross jurisdictional growth issues.
- **DEVELOPMENT APPROVAL TIMEFRAMES**
To encourage more timely housing delivery and reduce speculation.
- **IMPROVE HOUSING DESIGN**
The meet the changing needs of users throughout their lifestyle.



HOUSING AFFORDABILITY PRINCIPLES

The land use planning framework that is the recommendation of my Fellowship, is underpinned by the three (3) housing affordability principles; choice, needs and location.

These principles are a systematic shift away from defining or considering affordable housing in the context of an individual persons or a family unit income.

For the purposes of strategic planning exercises, I consider that the principles provide a much broader context for assessing how land use planning tools should be used to promote housing diversity and affordability.

These principles are also a deliberate recommendation that seeks to change the narrative. Housing affordability is now affecting broad cross sections of the community and the terminology used as part of land use planning approaches must be broadened to not only reflect the scale of the challenge, but to improve community education. The purpose of this approach seeks to elevate the discussion, ensuring it is focused on the need to provide secure housing for everyone in our community, both now and into the future.

CRITICAL INFLUENCES

The critical influences part of my recommended framework is arguably the most important tools that must be implemented if meaningful policy change is to be successfully implemented. The critical influences recognise the need to collectively shift the thinking at a political, technical and community level to be one that is future focused and human centric, to encourage positive change and diverse housing.

MEANINGFUL COMMUNITY ENGAGEMENT

The *Minneapolis 2040* project is a strong demonstration of the power of meaningful community engagement. The commitment by the City of Minneapolis, with meaningful and broad reaching community engagement as part of the project, built trust in the process within the community, which in my view was one of the key reasons it was successfully implemented.

A commitment to meaningful community engagement should be common practice; however, this still isn't always the approach.

There is also often an unconscious bias in community engagement exercises that is focused on existing users or community members, without giving regard to those who may already have been excluded from the neighbourhood or those who may want to move to the neighbourhood. In this regard, our community engagement techniques need to not only be representative of existing communities but look for innovative ways to get inputs from future and emerging community members.

An ongoing effort to improve community engagement will assist in building community trust in the planning profession and the land use planning process. This is something that is critical to achieving some of the other recommendations in this report.

As land use planning and housing policy often involves change for the community, engagement exercises need to consider the readiness of the community for change. There may be a need to

invest in significant and long-term engagement, such as the multi-year engagement program for *Minneapolis 2040*, to drive real change.

This recommendation requires a collective commitment to improving process. Whilst it may involve a higher upfront cost in terms of time and investment, the overall outcomes that can be achieved through effective community engagement far outweigh this initial investment.

BOLD LEADERSHIP

The role and influence of bold leadership, at both the political and technical levels, cannot be underestimated. As such, I am putting out a call to action. Collectively, politicians, planners, housing advocates and industry stakeholders need to improve leadership. The reason housing affordability is now at a crisis level is because for too long, solutions have been off the table. Whilst there is evidence this is slowly starting to change, there is still a long way to go if we are to achieve meaningful steps towards addressing housing affordability.

RESPONSIVE HOUSING STUDIES

Robust and reliable evidence is a fundamental part to the process of land use planning. Not only does data about historic trends provide important baseline information, but it also ensures that our plans and policies respond to the needs of the community.

The rate of change in the housing market is moving much more rapidly and therefore, the onus on the land use planning system is to ensure that the policy is being nimbly adjusted and fine-tuned over time. The process of monitoring, reviewing and refining housing studies on a frequent basis should become the normal practice.

CHANGING THE NARRATIVE

Throughout my extensive discussions, one of the key reasons identified for community concern about affordable housing was a connection to public housing of the past, one that brings anti-social behaviour and crime.

In fact, some of the commentators suggest that the reason why the zoning change in Minneapolis was successfully implemented was because it applied citywide and didn't isolate certain communities.

To address this, it is suggested that some simple changes in our language could lead to a change in sentiment. Rather than supporting an ongoing dialogue about affordable housing, which tends to indicate that it is targeted at certain people, we should simply be focussing on the need for securing housing for everyone in our communities as a basic human right. Affordability can be achieved by diverse housing, both in terms of tenure and typology.

COMMUNITIES WILLINGNESS TO EMBRACE CHANGE

In addition to the leadership required at a political and professional level, the harder task is how communities themselves can become champions for change. Some of the organisations in other jurisdictions that I have featured are not long-standing community groups, however, they have been instrumental in delivering real change in terms of both policy and outcomes.

Without a level of community interest, passion or demand for change, there is unlikely to be strong political willingness to address this issue. The challenge is that many of the cities visited as part of the Fellowship saw their housing market get to extreme crisis levels to instigate community attention. We need to learn from these other cities and not wait for things to get worse before the community acts.

RECOMMENDED PLANNING APPROACHES

The recommended approaches from my Fellowship seek to provide tangible land use planning outcomes that can assist improving housing diversity and addressing housing affordability.

ENCOURAGE HOUSING DIVERSITY IN LOW DENSITY RESIDENTIALS AREAS

Over the last decade, there has been extensive discussions about the evolution of missing middle housing in Australia. However, to date, our planning system has restricted housing choice in large parts of our suburban neighbourhoods.

This recommended approach involves changing zoning to allow greater diversity of housing, potentially up to four (4) dwellings in areas that currently only allow for a single dwelling house to be established. As this will impact infrastructure provision and investment, it may need to be implemented based on certain locational criteria in the first instance.

This recommendation will significantly assist in increasing housing supply and diversity in our existing neighbourhoods.

The approaches taken in Oregon (USA) and Minneapolis (USA) should be considered best practice. They approach the housing issue with a focus on inclusion, by applying the changes citywide. This approach also means that the level of change in any street or neighbourhood is likely to be far more gradual and incremental.

At first, this recommendation may seem radical. However, it only seeks to allow the built form envelope permitted on a standard residential lot to be used for two, three or four dwellings rather than one. In implementing this approach, it will be critical to ensure that design guidance is incorporated into the land use planning framework, as design becomes more critical as density is increased.

Importantly, this approach will not prevent or restrict people building single family homes, but it will address the significant lack of housing choice in many of our neighbourhoods.

This policy approach is not a short-term fix to the housing crisis. Rather, it is a proactive long-term approach that seeks to reimagine our neighbourhoods to provide housing that caters for the broad needs of our community, both now and into the future.

REGULATE THE PROVISION OF AFFORDABLE HOUSING

This recommended approach involves regulating the provision of affordable housing, through an inclusionary zoning policy.

Inclusionary zoning provides a policy foundation to assist in mitigating a development's impact on the housing market. Just like development must mitigate its impact to other things, there is no reason why the impact of new development on housing affordability should not be reasonably mitigated.

As noted in the jurisdictional analysis, inclusionary zoning policies need to be tailored to the housing market in which they are being introduced. There are three different approaches that can be considered when implementing an inclusionary zoning policy, being:

- Introducing inclusionary zoning when an area is up zoned / intensified;
- Introducing a voluntary inclusionary zoning policy, that operates on quantifiable bonuses for development that provides affordable housing either onsite or external to the site; or
- Introducing a mandatory inclusionary zoning policy.

I maintain that a very balanced and careful approach needs to be taken in the design and implementation of any new inclusionary zoning policy. The policy requirements must be proportionate to the scale of the development, and it must not undermine development viability. If either of these two levers are incorrectly applied, there is a real risk of significant unintended consequences that would cripple the development of new housing and only exacerbate the existing housing crisis.

It is also important to acknowledge that the implementation of an inclusionary housing policy will not solve the housing affordability crisis.

Whilst inclusionary zoning should be used as part of a suite of solutions, government funded social and affordable housing will still be necessary and fundamental to a healthy housing system.

PROACTIVE AND LONG-TERM STRATEGIC PLANNING

One of the common views often shared over the course of the Fellowship was a recognised need for planning to have a long-term vision.

It was identified, much like Australia, that in many of the cities I visited, that planning is often limited to short term views, based on community and political views. We often ask people as part of stakeholder engagement campaigns about what they value in their neighbourhoods. This fails to recognise that planning is an exercise that seeks to promote the long-term sustainable growth of our cities and regions.

Whilst community views are critical to the planning process, it is also important that the need for planning to have a long-term vision is the primary driver of our land use planning framework. This is because the plans we put in place now, will setup cities and regions for future generations. The housing crisis we are facing now is in part because those that came before us, left the problem to be dealt with by a future generation.

As planners, we must advocate to change the way our cities and regions grow to reimagine the neighbourhoods of the future. It is the role of planners to be the custodians of our cities and represent future generations who may not currently have a voice. This is a significant responsibility to ensure that collectively the work we are doing now is setting up our cities for future success.

REGIONAL PLANNING

This recommended approach encourages jurisdictions to implement regional planning that manages the overall settlement

patterns of our regions and provides critical coordination across several local government boundaries. This approach is important not only for infrastructure coordination, but also recognising that housing issues are cross jurisdictional issues, particularly as the shape of regions evolve over time.

As demonstrated through the jurisdictional analysis, a review period of five (5) to six (6) years is a way to ensure that regional policies remain contemporary and responsive to the needs of the regions.

Additionally, regional plans should identify housing targets in a way that equitably distributes the burden of providing new housing fairly amongst jurisdictions. This should be done to ensure that housing is provided in locations with access to employment, services, and transport.

Over time, as the land use planning system in Australia starts to regulate the provision of affordable housing, regional planning instruments should breakdown housing targets based on tenure, typology, and affordability.

DEVELOPMENT APPROVAL TIMEFRAMES

As is done in the UK, consideration should be given to shorter currency periods for new housing project approvals, to encourage a quicker transition from approval to construction.

IMPROVE HOUSING DESIGN

Whilst the other recommended approaches have a land use planning focus, the important and intrinsic link between planning and design has a fundamental role in supporting the achievement of the housing affordability principles.

Design plays a critical role in ensuring housing is well-designed and fit-for-purpose. It directly responds to the housing affordability principles in relation to ensuring that the dwellings of the future meet the evolving needs of users throughout their changing life cycle.

More importantly, as we move towards a framework of increased housing choice, the importance of quality design outcomes is more important. Delivering middle housing requires careful consideration about design values, to uphold the planned character and amenity expectations. The land use planning system should seek to lift the level of design outcomes by regulating minimum standards for dwelling design.

Figure 17: Traditional row housing on Bloomsbury Street, London













IMPLEMENTATION IN THE QUEENSLAND CONTEXT

The land use planning framework I have recommended allows for a high level of transferability between jurisdictions. However, as a practicing land use planner based in Queensland, I have outlined personal reflections about how the framework could be implemented in the Queensland context.

For these more specific implementation reflections, each approach has been scored based on my personal views in relation to:

- **Implementability:** The potential effort, time, and cost to implement the recommendation, taking into consideration legislative frameworks and current practices.
- **Potential Receptiveness:** The likely attitude towards the recommendation, with low being potentially negative and high being potentially positive. This is a combined receptiveness score for the community, industry, and government.

Supporting analysis is also provided overleaf in relation to each of the five recommendations specific to the Queensland context.

POTENTIAL IMPLEMENTATION APPROACHES FOR QUEENSLAND		IMPLEMENTABILITY	POTENTIAL RECEPTIVENESS
1	Amend zoning regulations to allow small scale residential development (up to quadplexes) in all residential parts of major cities, to support increased housing supply and diversity	 HIGH	 LOW
2	Investigate implementing an inclusionary zoning policy in major urban and regional areas that: <ul style="list-style-type: none"> a) applies to projects of more than 20 dwellings; b) is transitionally implemented to mitigate economic impacts; c) is based on viability assessments at plan making and development assessment; and d) is supported by other financial incentives. 	 LOW	 MODERATE
3	Housing studies are: <ul style="list-style-type: none"> a) Prepared to address both housing needs and housing production strategies; b) Prepared to specifically assess the need for affordable housing and to include strategies that address this need; and c) Monitored and reviewed on a regular basis, at a minimum of five yearly intervals. 	 HIGH	 MODERATE
4	Development approvals for new housing projects be given a shorter currency period to assist in expediting the construction of new housing	 VERY HIGH	 MODERATE
5	Maintain a regional planning program that: <ul style="list-style-type: none"> a) Involves more regular reviews (every 5-6 years); b) Maintains urban growth boundaries; and c) Identifies regional housing targets, including for the provisions of affordable housing. 	 VERY HIGH	 HIGH

1. AMEND ZONING REGULATIONS TO ALLOW SMALL SCALE RESIDENTIAL DEVELOPMENT (UP TO QUADPLEXES) IN RESIDENTIAL AREAS

In the context of Queensland's zoning system, this recommended approach would result changes to the current heavily restricted Low density residential zone. In many Council areas, development is limited to a Dwelling house, with Dual occupancies permitted in some limited instances such as on a corner block.

This recommended approach would significantly change this, by allowing small scale residential development (up to a quadplex) in all residential areas. This is a significant opportunity to reimagine our suburban neighbourhoods in a way that encourages housing diversity. It also provides a policy solution to address the lack of middle housing.

The policy outcome has a high implementability score because it is an outcome that can easily occur within our existing planning frameworks.

The alternative approach would be to selectively identify neighbourhoods for more dense development. In the Queensland context, this may involve up zoning a low density residential area to a low-medium density residential zone. Whilst this approach lacks the inclusiveness of the best practice approaches used in Oregon and Minneapolis, it will still assist in addressing our housing challenge.

Whilst the potential receptiveness has been given a low score, the jurisdictional learnings show that this can be overcome through bold leadership and conversations with the community.

2. IMPLEMENT AN INCLUSIONARY ZONING

In the context of the Queensland planning framework, my recommended approach involves implementing a mandatory inclusionary zoning policy in South East Queensland and major regional centres that:

- a) applies to projects of more than 20 dwellings;
- b) is transitionally implemented to mitigate economic impacts;
- c) is based on viability assessments at plan making and development assessment; and
- d) is supported by other financial incentives.

As noted earlier, inclusionary zoning policies need to be tailored to the housing market in which they are being introduced. As such, my recommended approach is a high-level framework to start the discussion towards policy change in Queensland. There will be a significant effort required in relation to policy development work and stakeholder engagement to implement this recommendation.

Whilst the approach to introducing inclusionary zoning when an area is up zoned / intensified is likely the easiest to implement, (as it captures the land value uplift before it is real), I believe that this will be ineffective in South East Queensland, given the advanced nature of our strategic planning.

In addition, considerable thought was given to the use of a voluntary inclusionary zoning system, that would work on bonuses for development that provides affordable housing. My experience of the use of bonus systems has proved challenging in the past, especially in the context Queensland's performance based planning system. This also gives rise to the risk of compromising

other planning policies, such as building height or building bulk, to support the delivery of affordable housing.

For this reason, the recommendation suggests a mandatory inclusionary zoning policy be introduced in major urban and regional areas, as the best approach, considering the planning legislation in Queensland and state of the housing crisis.

Implementability

The introduction of an inclusionary zoning policy has been given a low level of implementability. This is due to the complexity and risk associated with introducing such a policy, as discussed above.

Whilst the implementation task will be difficult and will need to be carefully balanced, it is certainly not impossible. Some of the key implementation approaches are discussed in more detail below.

It is suggested that smaller scale residential developments should be excluded from the policy. Improving housing choice through small scale development is a fundamental tool in assisting with the overall housing issue. At this scale of development, investors are more likely to be less sophisticated and the return lower. Therefore, it is suggested that a starting point for the application of an inclusionary zoning policy should be projects involving twenty (20) or more units. Whilst some jurisdictions have this set much lower at ten (10) units, it is considered that this is too low at least for the start of the program. It may be that over time the level at which the policy applies is reduced.

One of the most important implementation recommendations is that there must be a transition period. An inclusionary zoning policy effectively seeks to reduce land value, once the requirement to provide a certain amount of affordable housing is introduced. This type of adjustment will not happen overnight and it must be recognised that investment decisions have been made at a point in time, based on the policies in effect at that point. Implementing the policy, similar to the approach taken in Minneapolis, allows the market to adjust and minimise risks of unintended market failures.

To manage the economic risks of introducing an inclusionary zoning policy, the concept of viability testing which underpins the UK approach is fundamental. This will be one of the most important tools when canvassing the policy with industry stakeholders. It should provide certainty that the policy at a plan making stage is underpinned by viability testing and that there is a safety mechanism for developers to retest this at the application stage. Based on the learnings from the UK system, the viability testing must be setup in a very clear and transparent way, so that it cannot be used to simply avoid providing affordable housing.

It must be recognised that introducing an inclusionary housing policy will impact the profitability of developments. Government costs and taxes on new development should be reviewed to ensure that they do not apply to the part of the development that is the affordable housing component required by the policy.

At a local level, infrastructure charges should be waived for affordable houses, consistent with other international approaches. At a State and Federal level, tax offsets or exemptions should be explored, recognising the delivery of affordable housing by private developers is reducing the public burden.

Finally, whilst not a planning consideration, non-profit housing providers would need to partner with developers to take ownership and manage the affordable housing delivered through any inclusionary housing policy. There would likely need to be an initial readiness investment to support non-profit housing providers to upscale to prepare for this ongoing management responsibility.

Receptiveness

The potential receptiveness score of moderate reflects the mixed reaction that is likely to any future inclusionary zoning policy in Queensland.

From a community perspective, there is likely to be general support for providing affordable housing, noting that the highly technical requirements are likely to be overlooked by most community members. Although matters such as car parking and density of developments more generally are likely to be ongoing matters of community concern. Although, there is a possibility that community members who have an anti-developer sentiment are likely to support the policy outcome given it shifts responsibility onto a developer to provide affordable housing.

It is more likely that industry will significantly oppose the introduction of an inclusionary zoning policy. This response may not be unwarranted, as the policy will impact the profitability and standard operating environment in which developers have based their business models.

For this reason, it is critical that a highly consultative approach is taken to the policy development and testing phase. This approach was taken in Minneapolis and led to the development of the transitional implementation, which has significant merit.

Australia has reached a crisis point and we can no longer continue our current trajectory. Bold and strong leadership is needed to bridge the divergence between what the community anticipate and what the developers need to deliver housing on the ground.

Ultimately, we must explore a full suite of tools to assist in addressing housing affordability and inclusionary zoning is one important element that should be used to improve access to affordable housing.

3. HOUSING STUDIES

In the case of the Queensland planning context, often, housing studies are completed about once every ten (10) years, at the same time as a Council reviews its planning scheme.

In my view, contemporary housing studies should be:

- a) Prepared to address both housing needs and housing production strategies;
- b) Prepared to specifically assess the need for affordable housing and to include strategies that address this need; and
- c) Monitored and reviewed on a regular basis, at a minimum of five yearly intervals.

It is critical that our housing policy solutions are contemporary and that they are reviewed more frequently, especially given the rate of change in the housing market. In the context of technology advancements, dashboards and other real-time monitoring tools,

there is an ability to reduce the lag in terms of data analytics which can only mean improved policy outcomes.

In addition to the timing, housing studies need to be much more than simply an analysis of housing supply and demand. They should go beyond the planning realm of influence and consider a broad spectrum of strategies that support housing production in the context of each local government jurisdiction.

The implementability score for this recommendation is high, as individual jurisdictions could adopt this approach when undertaking housing studies to ensure they are using best practice approaches. The alternative option, which has been adopted in both Oregon (USA) and the United Kingdom would be for the State Government to regulate the way in which housing studies are completed and monitored.

Finally, the potential receptiveness score of moderate reflects the likely concern that many local governments will have that this recommendation will result in additional costs for the completion of more comprehensive housing studies, that are monitored and reviewed more regularly. Following the introduction of HB 2003 in Oregon, a fund was provided at the State level to assist local government in the initial development of both the HNA and HPS. Given the potential value by having comprehensive and up to date housing studies across all local governments, this type of funding, if available at a State level, would assist in this recommendation being implemented in a more timely manner.

4. CURRENCY PERIOD FOR RESIDENTIAL DEVELOPMENTS

In Queensland, the default currency period for development approvals is six (6) years. The introduction of the *Planning Act 2016* increased the currency period from four (4) years to the current six (6) years, to support the development industry and in recognition of the time it takes to obtain subsequent approvals to start construction.

Notwithstanding, it is suggested that development approvals for new housing projects be given a shorter currency period to assist in expediting the construction of new housing.

This has a very high implementability score, as this could be immediately implemented under existing legislation. However, there is a strong culture of speculative development, which in part is supported by allowing long currency periods for development approvals.

As such, this recommendation is likely to be somewhat unfavourable from an industry perspective. Although, developers who seek to obtain approvals and proceed straight to construction shouldn't have any concerns with the recommended approach, given it will not change or otherwise impact their process. In the longer term, it may reduce the number of development applications in the system and reduce the assessment burden for local government, as applicants may choose to refrain from lodging applications until they are more certain about their construction timeframes.

5. REGIONAL PLANNING

Unlike a number of the jurisdictions I visited as part of my Fellowship, regional planning is something that has traditionally been well coordinated in Queensland. As such, this

recommendation is to maintain Queensland's the regional planning program.

This recommendation has a very high implementability score because it is an outcome that is already established and being developed in the context of the Queensland planning system.

There does need to be a more regular review process for regional planning tools, especially those outside of South East Queensland. Whilst existing legislation requires regional plans to be reviewed every ten (10) years, there are several regional plans in Queensland that are overdue for a review. Planning policy that is more than ten (10) years old can no longer be considered fit for purpose, especially given the rapid rate of change that is occurring within our communities.

It is also important that regional plans continue to regulate urban growth boundaries. Whilst these may often be cited as the cause of housing supply issues, they provide an important tool to manage growth and balance urban development with the green space required to maintain quality of life. Whilst it is easy to point towards growth boundaries as being part of the problem, there is an important distinction to be made between a land supply shortage and a housing supply shortage.

The potential receptiveness for this policy recommendation has been given a high score because it is considered that both the community and industry understand regional planning, given its history in Queensland. Whilst the recommendations involve changes to the approach, these are relatively minor and would likely be supported by most stakeholders, given they are consistent with the current goals and approach to regional planning.

Figure 18: Mixed use development on a high-frequency bus corridor in Portland



DISSEMINATION AND IMPLEMENTATION



LAUNCH

- PRE-LAUNCH LINKEDIN CAMPAIGN WITH THOUGHT PROVOKING IDEAS
- MEDIA CAMPAIGN
- ONLINE PUBLICATION OF REPORT
- DISTRIBUTION OF REPORT TO KEY STAKEHOLDERS



ENGAGEMENT

- OFFER TO MEET AND SHARE FINDINGS WITH KEY STAKEHOLDERS
- OFFER OF LUNCH AND LEARN SESSIONS WITH STATE AND LOCAL GOVERNMENT
- POLICY DEVELOPMENT THROUGH PROJECTS AT CIVITY



DIALOGUE

- SPEAKING AT STATE AND NATIONAL PLANNING CONFERENCES AND OTHER EVENTS
- ONGOING MEDIA
- THOUGHT LEADERSHIP PUBLICATIONS



MONITORING

- MONITORING OF PROGRESS IN JURISDICTIONS VISITED AS PART OF FELLOWSHIP
- ONGOING INFORMATION SHARING WITH OVERSEAS NETWORKS ESTABLISHED THROUGH FELLOWSHIP

The recommendations of this report are long-term actions that seek to provide mechanisms that will, in part, assist in addressing Australia's housing affordability crisis. I hope this report acts as a call to action to spark meaningful dialogue about policy reform to support increased housing choice and diversity in Australia.

My dissemination and implementation plan, as shown above, involves four groups of actions, involving:

LAUNCH OF THE REPORT

- To generate interest in the report before its formal launch, I will develop a series of thought-provoking ideas and publish these to my personal LinkedIn profile. These questions will be aligned to the report recommendations.
- The report will be launched through a national and local media campaign.
- Following the publication and launch of the report, I will actively seek to distribute the report to key stakeholders.

ENGAGEMENT

- One of the key outcomes I hope to achieve is to raise awareness of the land use planning tools that can be used to assist in addressing housing affordability. As part of my engagement with industry peers, I will offer to meet and share the findings of the Fellowship.
- I will specifically target meetings with Local and State Government representatives, who can give effect to a number of the recommendations. This will be achieved by offering lunch and learn sessions to engage and share knowledge with my peers.
- Where possible, as part of my ongoing work for State and Local Governments at Civity, I will seek to implement the findings of the Fellowship in land use planning policy and housing strategies.

ONGOING DIALOGUE

- I will be presenting the Fellowship findings about zoning reform at the Planning Institute of Australia National Congress in Adelaide in May 2023. I will explore other opportunities for speaking engagements at national and state conferences as well as other local events.
- I will explore opportunities for ongoing media engagement, including op-ed publicizations.
- I will actively deliver thought leadership pieces through my own LinkedIn profile and industry publications.

MONITORING

- Several of the legislative reforms explored in overseas jurisdictions as part of my Fellowship are still in their infancy. As part of the project implementation, I will monitor the success of these approaches and any refinements to the approaches made as the policies mature.
- Several the overseas contacts I met with during my Fellowship requested a copy of the final report. I will seek to maintain this network, to support ongoing information sharing at a global level.

SUMMARY

I am truly passionate about housing affordability and hope that these dissemination efforts, with the use of this report as the launchpad, will assist in addressing the intergenerational inequity of home ownership and the ever growing housing affordability challenge. I look forward to working collaboratively with my peers from across Australia in addressing this issue and promoting a planning system that is responsive to the community's needs.

GLOSSARY

Affordable housing	Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care, and education ³⁸ .	MFI	Median Family Income
AMI	Area Median Income	Municipalities	Generally used internationally as a reference to a local government authority
DLCD	State of Oregon Department of Land Conservation and Development	NIMBY	Not in My Back Yard
Exclusionary zoning	Land use controls that significantly restrict the types of homes that can be built in a particular location or neighbourhood. These controls often limit development to a single-family home and can include other restrictions such as minimum lot sizes.	NPPF	United Kingdom National Planning Policy Framework
Fellowship	Churchill Fellowship	Synthetic control method	A statistical method used to evaluate the effect of an intervention in comparative case studies. It involves the construction of a weighted combination of groups used as controls, to which the treatment group is compared.
HB 2001	State of Oregon House Bill 2001: Housing Choices	SPG	Mayor of London Affordable Housing and Viability Supplementary Planning Guidance 2017
HB 2003	State of Oregon House Bill 2003: Housing Needs and Production	Trust	Winston Churchill Memorial Trust
HNA	Housing Needs Analysis	UK	United Kingdom
HPS	Housing Production Strategy	USA	United States of America
HUD	United States of America Federal Department of Housing and Urban Development	YIMBY	Yes in My Back Yard
Inclusionary zoning	A land use planning intervention by government that either mandates or creates incentives so that a proportion of a residential or mixed use development is affordable housing		
Intermediate housing	A term used in London to refer to key worker housing.		
Key workers	Key workers are people who perform roles that are essentially to the everyday running of a city or region, often providing essential services such as the healthcare, education, public safety, utilities, and transportation.		
LUR Bill	United Kingdom Levelling-up and Regeneration Bill		

APPENDIX A: AFFORDABLE HOUSING DEFINITIONS

AUSTRALIA

In terms of social housing definitions and thresholds, the following is noted:

- The Australian Government provides rent assistance as a non-taxable income supplement payable to eligible people³⁹ who rent in the private market or via community housing⁴⁰. For a couple with one (1) or two (2) children, at the time of writing this report the maximum fortnightly rent assistance payment is \$201.32⁴¹.
- Incentives under the National Rental Affordability Scheme apply where dwellings are rented to eligible tenants. For a couple with two children, based on the 2022-23 year, the initial income limit for eligible tenants is \$111,802, whilst the existing tenant income limit is \$139,753⁴².
- In Queensland, the State Government provides a range of public housing across the state. There is a range of financial and non-financial eligibility criteria. To be eligible for public housing, a couple with two (2) children must have a gross weekly household income of \$999 or less⁴³. There is also an ongoing eligibility policy which means the combined assessable household income must be less than \$80,000 per year.

UNITED STATES OF AMERICA

Households earning less than 80 percent of the AMI are considered low-income households, very low-income households earn less than 50 percent of the AMI and extremely low-income households earn less than 30 percent of the AMI⁴⁴. Notwithstanding, by law the local Public Housing Agencies are required to provide 75 percent of its housing choice vouchers to applicants whose income do not exceed 30 percent of the AMI³.

The 2022 AMI, based on a family size of four (4) (a couple with two (2) children) for the three (3) United State regions visited as part of my Fellowship are as follows:

- **Minneapolis-Saint Paul:** 100 percent AMI = \$118,200usd (approximately \$169,779aud), 80 percent AMI = \$89,400usd (approximately \$128,411aud), 50 percent AMI = \$58,650usd (approximately \$84,242.90aud)^{45 47}
- **New York:** 100 percent AMI = \$133,400usd (approximately \$191,611aud), 80 percent AMI = \$106,720usd (approximately \$153,289aud), 50 percent AMI = \$72,050usd (approximately \$103,490aud)^{46 47}.
- **Portland:** 100 percent AMI = \$106,500usd (approximately \$152,973aud), 80 percent AMI = \$85,200usd (approximately \$122,378aud), 50 percent AMI = \$53,250usd (approximately \$76,486.50aud)^{48 47}.

Whilst interviewees noted that the AMI system has its shortcomings, it was generally considered to be a suitable way to measure and provide housing affordability support. There was a somewhat consensus view that because the AMI had been increasing over time, that the housing choice voucher program

was not necessarily reaching those most in need with very low and extremely low household incomes.

UNITED KINGDOM

The NPPF defines affordable housing as:

housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) *Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20 percent below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
- b) *Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*
- c) *Discounted market sales housing: is that sold at a discount of at least 20 percent below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*
- d) *Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20 percent below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.⁴⁹*

UK: LONDON

The London Plan identifies preferred housing tenures for affordable housing which are:

- **Social Rent and London Affordable Rent:** London Affordable Rent and Social Rent homes are for households on low incomes. The rent levels for Social Rent homes use a capped formula and London Affordable Rent homes are capped at benchmark levels published by the Greater London Authority. Rents for both are significantly less than 80 percent of market rents, which is the standard identified in the NPPF⁵.
- **London Living Rent:** London Living Rent offers people with an average income a lower rent, enabling them to save for a deposit. In some circumstances where the project is funded by the Greater London Authority, the tenure is a Rent to Buy product, whilst in others cases it provides a means to save for a deposit and is considered a step to homeownership⁵.
- **London Shared Ownership:** This is an intermediate ownership product which allows households who would struggle to buy on the open market, to purchase a share in a new home and pay low rent on the remaining share⁵.

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⁴⁶ City of New York Housing Preservation & Development 2022, *Area Median Income*, City of New York, viewed 14 January 2023, <https://www.nyc.gov/site/hpd/services-and-information/area-median-income.page>

⁴⁷ Currency Conversion by www.oanda.com, based on rates applicable on 14 January 2023.

⁴⁸ Portland Housing Bureau 2022, *2022 Income and Rent Limits (PHB)*, City of Portland, Oregon, viewed 14 January 2023, <https://www.portland.gov/phb/documents/2022-income-and-rent-limits-phb/download>

⁴⁹ Ministry of Housing, Communities & Local Government 2021, *National Planning Policy Framework*, viewed 14 January 2023, <https://www.gov.uk/government/publications/national-planning-policy-framework--2>