



A Co-operative venture of the municipalities of:
Cockburn, East Fremantle, Fremantle, Kwinana, Melville & Rockingham

Date: 17 December 2013
Contact: Mick McCarthy (08) 9364 0631
Reference: SWG Submission – Affordable Housing

Department of Planning
140 William Street
Perth WA 6000
Email: affordablehousing@planning.wa.gov.au

Dear Sir/Madam

SOUTH WEST GROUP SUBMISSION – AFFORDABLE HOUSING DISCUSSION PAPER (OCTOBER 2013)

The South West Group welcomes the opportunity to lodge this submission on the Department of Planning's Affordable Housing Discussion Paper and commends the Department of Planning in seeking to further define the role on the planning process in supporting affordable housing.

The South West Group, formed in November 1983, is a Voluntary Regional Organisation of Councils (VROC). It comprises the Cities of Cockburn, Fremantle, Kwinana, Melville, and Rockingham, and the Town of East Fremantle. The South West Group is managed by a Board consisting of the Mayors and CEOs of its member local governments.

The South West Group seeks to work with these six local governments and through cooperation with industry, community and the other spheres of government to capture a wide range of opportunities to enhance economic growth as well as supporting a diversity of quality lifestyles whilst servicing and sustaining cohesive, productive communities in an enviable environmental setting.

The responses have been considered by the South West Group Board and draw from feedback provided by the Planning and Infrastructure Committee and Technical Directors Committee, which provide strategic and technical advice on planning matters to the Board. The South West Group has also prepared the background paper attached on affordable housing in the South West Metropolitan Region that forms part of this submission.

The background paper attached shows that Local Governments in the region have been very proactive in the establishment of affordable housing in green field and brown field locations.

The South West Group Committees and Board considered that it is appropriate to draw to your attention a number of important strategic issues relevant to the planning of affordable housing, namely:

- Limitations on the planning system for achieving affordable housing outcomes
- Importance of partnership approach in providing affordable housing
- Affordable housing needs data and analysis to inform decision making

These are discussed in more detail below.

Limitations on the planning system for achieving affordable housing outcomes

The planning approvals process forms a component of the affordable housing establishment cycle. Unlike the United Kingdom's Section 106 of the Town and Country Planning Act (1990) which enable affordable housing to be provided as part of developer contributions, there are not specific requirements under the Western Australian Planning and Development Act (2005) that provide a legislative basis for the provision of affordable housing.

With the best intentions from Local Government to facilitate affordable housing in their communities through the development negotiation and planning approvals process, the actual establishment of affordable housing dwellings is largely dependant upon the developer's voluntary intention to incorporate affordable housing, financial and economic factors for housing development and market conditions in the lead up, during and after housing construction.

The provision of affordable housing is therefore more of a financial consideration of the urban development industry and the reflection of real estate market conditions, rather than a planning led initiative.

As a result, there needs to be some recognition of the limitations of the planning approvals process to facilitate affordable housing, given the dominant role of developer intentions and prevailing market conditions.

The planning system can play a role by focussing on facilitating diversity, encouraging a range of housing types, and ensuring there are no unnecessary restrictions on development that may negatively impact on housing affordability.

The South West Group advocates for the provision of government financial incentives for the development and provision of affordable housing, through relaxation of various applicable taxes (GST, Stamp Duty, Land Improvement Tax etc), rather than direct planning requirements

Importance of partnership approach in providing affordable housing

The best affordable housing outcomes achieved in the region have resulted from partnership projects involving State Government agencies, housing providers and/or the not for profit sector. Those affordable housing providers currently registered with the Department of Housing include Access Housing, Bethanie Housing, community Housing Foundation Housing, Mission Australia Housing and Southern Cross Housing.

Although the South West Group does not support mandatory provisions for affordable housing for private sector developments, it is considered appropriate for housing projects managed by the State Government to incorporate mandatory affordable housing provisions, particularly when these projects are managed in partnership with suitably experienced housing providers and the not for profit organisations.

Any government response should target the greatest area of need, such as those unable to afford private rentals at the market rate and accommodating an ageing population seeking to remain in areas they have raised their family and are seeking a smaller dwelling type in the same area.

Affordable housing needs data and analysis to inform decision making

Currently, there is limited local or regional scale information on affordable housing needs in the metropolitan area. There is a need for the establishment of a database and location based tools to identify affordable housing demands.

The information gathered through this database could be used by Local Governments and the development industry to identify areas of high demand that require affordable housing solutions.

The Local Government could facilitate contact between developers and affordable housing providers to achieve affordable housing outcomes in areas of high demand. For areas with extremely high demand and no State Government projects, it may be appropriate to consider mandatory affordable housing provisions providing sufficient incentives were provided to the development industry.

It is not considered appropriate for the costs of market based housing stock to subsidise affordable housing stock and therefore other forms of financial support (tax breaks for construction, stamp duty reductions etc) and incentives (density bonuses, targeted voluntary contributions etc) should be considered.

To assist the Department of Planning in progressing the Planning for Affordable Housing initiative, the South West Group puts forward the following recommendations with explanation where required.

1. Support Stage 2 of the Affordable Housing Strategy.

Housing strategies will be developed by Local Governments and regional bodies to identify current and future housing needs. This will require Local Planning Schemes to include provisions that facilitate the development of affordable housing to meet the current and future needs of communities.

Local Governments will be encouraged to incorporate requirements and voluntary incentives for developers to include wider affordable housing components in developments above a specified size, offset by appropriate concessions and/or plot ratio bonuses. The application of these incentives needs to be guided firstly by developments demonstrating that they meet planning requirements in accordance with housing strategies and local planning schemes.

Formal inclusionary zoning would not be supported.

2. Support the Affordable Living Goals of the State Planning Strategy.

Affordable living is an important contributor to social wellbeing and economic growth. It includes not only the cost of housing but also the basic household

running costs of utilities such as water and energy as well as the transport costs associated with travelling to work, education, shopping and community facilities. Affordable living also includes the financial cost of living such as the price of food, transport, shelter and the level of rental and mortgage stress.

3. Support the focus on Activity Centres for Affordable Housing in Directions 2031.

Directions 2031 commits the Department of Planning to work with Local Governments, the Department of Housing, non-profit housing organisations and developers to provide more affordable housing in redevelopment areas, as part of a strategy to increase the diversity and affordability of housing in activity centres.

4. Not support the inclusion of mandatory provisions for Affordable Housing for developers of private land (Option 4) and conditional support for Options 2 and 3.

Mandatory provisions (Option 4) require developers to provide affordable housing as part of a development. They tend to relate to a fixed percentage or number of dwellings, depending on the type or size of the development.

The most commonly understood mandatory provision in the Australian context is inclusionary zoning, which requires a percentage of dwellings in any new development to be provided for affordable housing. Other mandatory provisions include the collection of cash contributions, rather than the provision of land or dwellings.

The South West Group does not support mandatory provisions for affordable housing (Option 4).

Option 2 would allow the use of voluntary incentives (e.g. density bonuses) in Local Planning Schemes and plans, to encourage the provision of affordable housing. The South West Group provides conditional support for Option 2, noting that incentives should only be applied in areas that are appropriate for affordable housing as determined in housing strategies and permitted under local planning schemes and provisions.

Conditional support for mandatory provisions in selected areas as outlined in Option 3 would be on the basis that the selected areas are identified as high priority for affordable housing according to the results of the affordable housing needs analysis (refer to Recommendation 5 below). The conditional support for Option 3 would also need to satisfy planning provisions as outlined for Option 2 above. The mandatory requirements for affordable housing under Option 3 would only apply to Government-owned land, except in areas controlled by the Metropolitan Redevelopment Authority (MRA).

5. Support undertaking a Housing Affordability Needs Analysis of the Perth and Peel Regions, with a view of identifying high demand and priority locations and housing types that would benefit from the provision of affordable housing projects.

The needs analysis could include the identification of areas under extreme affordable housing pressures and the facilitation of affordable housing through State Government or partnership projects. It may be appropriate to set mandatory affordable housing targets in areas of extreme stress, however this requires further consultation with affected Local Governments to determine the best approach to increasing affordable housing in selected areas.

6. Support standard provisions for affordable housing on government land and projects undertaken in public private partnerships.
7. Encourage provision of affordable housing in activity centres and along routes with high frequency public transport.
8. Encourage development of semi-detached housing in areas high amenity, good public transport and high employment potential. Support creation of small lots for terrace housing with dual access.
9. Continue to encourage diversity of housing particularly within the active transport catchment around rail stations and along proposed bus rapid transit routes.
10. Support the role of Community Housing Providers and the Not For Profit sector in the provision of Affordable Housing.
11. Support an audit of government owned land within activity centres and along public transport routes that could be used for a diversity of residential developments, including affordable housing.
12. Support the establishment of a central agency or organisation responsible for the management of affordable housing stock and the gathering of data to assist on decision making related to affordable housing in the metropolitan area (e.g. Department of Housing).

THE COMMENTS BELOW BY THE SOUTH WEST GROUP BELOW HAVE BEEN PROVIDED IN RESPONSE TO COMMENT FORM PROVIDED IN APPENDIX 2 OF THE DISCUSSION PAPER.

1. The role of planning in delivering affordable housing

Do you think the planning system should play a role in helping to deliver affordable housing?

Yes

Refer to comments and recommendations above.

2. Planning mechanisms to deliver affordable housing.
--

Comments on the effectiveness, benefits and drawbacks of each mechanism:

a) Barrier reduction strategies (e.g. limits on restrictive covenants)

Unlikely to be effective.

b) Protective mechanisms (e.g. prevent or mitigate demolition or loss of affordable housing)

Unsure. Requires further consideration on benefits of redevelopment and other factors for affordable housing opportunities in the area. Requires further consultation with Local Government.

c) Planning incentives (e.g. density or height bonuses)

Supported, with conditions as described above.

d) Voluntary negotiated agreements (e.g. as part of broader rezoning process)

Supported with conditions, however further discussion on mechanism and standards are required with Local Government and the development industry

e) Mandatory provisions (e.g. provide land, housing or cash for affordable housing in each development)

Not supported, unless for State Government projects. Refer to comments and recommendations above for further information.

3. Preferred implementation options for Western Australia.

Four potential Implementation Options have been outlined in Section 8 and are summarised in the table below.

Please identify any benefits, challenges or drawbacks associated with each Option.

	Approach			Supporting legislative, statutory or policy mechanisms		
	No specific provisions for affordability	Voluntary incentive provisions	Mandatory provisions on private land	Legislation	SPP	Guidelines with toolbox
Option 1	•					
Option 2		•		•		•
Option 3		•	Only in selected areas	•	•	•
Option 4		•	•	•	•	•

Option 1 - Focus on diversity, with no specific provisions for affordable housing.

Unlikely to facilitate the increased provision of affordable housing given the limitations on the planning system.

Option 2 - Allow incentives for affordable housing

Supported with conditions. Refer to comments and recommendations above for further information.

Option 3 - Allow incentives for affordable housing, with requirements only allowed in selected strategic areas

Supported with conditions. Refer to comments and recommendations above for further information.

Option 4 - Allow incentives and requirements for affordable housing

Not supported. Refer to comments and recommendations above for further information.

With your previous answers in mind, which of the four Implementation Options do you think presents the most appropriate approach for the planning system to deliver affordable housing in Western Australia? If you have further comments explaining your choice, please provide them.

Options 2 and 3 with conditions. Refer to comments and recommendations above for further information.

4. Alternative implementation options for Western Australia

Are there other implementation options that are likely to be more effective than the four above? If yes, please explain what they are and why they would be more effective.

Refer to comments and recommendations above for further information.

5. Other issues for consideration.

Are there any implementation issues that the WAPC should consider when determining the best approach to using the planning system to facilitate the delivery of affordable housing? If so, what are they? The issues outlined in Section 9 (repeated overleaf) provide some examples to consider.

Refer to recommendations above, which include a role that could be undertaken by the Department of Housing in regards to a central agency to manage affordable housing stock and gather publically available data to assist with decision making related to affordable housing.

6. Other comments or suggestions.

Other issues for consideration

Should State or local government decide when and where affordable housing provisions, of any kind, are applied? How should this be determined?

An affordable housing needs analysis should be prepared by the State Government through a process involving Local Government and the development industry.

Which legislative, statutory or policy instruments (legislation, State planning policies, local planning schemes, etc) should include affordable housing references and provisions?

Refer to comments and recommendations above for further information.

Which planning incentives are likely to be most effective in encouraging developers to deliver affordable housing (e.g., density bonuses, relaxation of height controls, prioritised planning approvals)?

A combination of incentives are necessary and will require negotiation on a case by case basis.

Are there any non-planning incentives that would be effective in encouraging developers to provide affordable housing (e.g. infrastructure costs, tax incentives)?

There are a range of financial incentives that could be applied by the State and Federal Government to support affordable housing. Refer to comments and recommendations above for further information.

In which locations or property market conditions are different incentives likely to be most effective, or ineffective?

Requires further consideration based on the results from the affordable housing needs analysis as recommended by the South West Group.

How can incentives be applied in a way that does not result in them being capitalised into land value, and therefore eroded?

This is a question that needs to be responded to by the urban development sector and community housing industry.

What types of mandatory provisions are likely to be the most effective? Provision of land, housing, or cash? Others?

This is a State Government issue.

If mandatory provisions are introduced, at what scale of development should they take effect (e.g. 10, 50, 100 lots/dwellings)?

The South West Group does not support mandatory provisions for private developments, although it is understood that a number of member Councils do support mandatory provisions under some circumstances.

Suggest that the Department of Housing respond to this question and that the views expressed in Local Government submissions be followed up individually to determine their position and appetite for facilitating the increased provision of affordable housing.

Applications for land subdivision (WAPC) and building development (usually local government) are determined separately in Western Australia. How would affordability measures be applied at each stage and how are the implementation issues likely to differ?

Refer to comments and recommendations above.

Should affordable housing requirements relate to property value (rental or sale price), household income, or both?

Affordable housing requirements should be based on need and access to appropriate infrastructure to facilitate affordable living.

What evidence is needed to satisfy a planning authority that affordable housing conditions have been met at the time of subdivision or development assessment? For example: How can you prove that a dwelling will be sold below a certain price?

Refer to comments and recommendations above.

How can you prove that the purchasers or future occupants of affordable dwellings will meet relevant eligibility criteria (e.g. income)?

No comment.

What, if any, agreements need to be in place with housing providers to take affordable dwellings on when they are complete?

This is a question that needs to be responded to by the urban development and community housing industry.

What, if any, controls are appropriate to ensure that the dwellings are used for affordable housing in the longer term?

This is a question that needs to be responded to by the urban development and community housing industry.

Is the Western Australian affordable housing sector (government, not-for-profit and private) sufficiently resourced to purchase affordable dwellings that are created as a result of planning provisions? In which circumstances are affordable housing providers likely to be willing, or unwilling, to participate?

This is a question that needs to be responded to by the urban development and community housing industry.

I trust that consideration will be given to the feedback provided in this submission.

If you have any queries regarding this correspondence, please contact the Director South West Group (Mick McCarthy) by email director@southwestgroup.com.au, phone on 9364 0631 or mob 0478 325 469.

Yours sincerely,



Barry Sammels
Chair South West Group

Attachment: Background Paper of Affordable Housing in the South West Metropolitan Region



BACKGROUND PAPER

PLANNING FOR AFFORDABLE HOUSING IN THE SOUTH WEST METROPOLITAN REGION

Introduction

The South West Metropolitan Region is at the forefront of innovation in affordable housing. In the 2013 Urban Development Institute of Australia WA awards for affordable development the winner, Living Space, and another finalist, Evermore Heights, were from the South West Metropolitan Region.

Appendix 1 provides a description of the award winning Living Space at Cockburn Central to demonstrate the type of projects in areas of high amenity and good public transport links that should be supported by sympathetic planning that encourage affordable living.

Figure 1: Living Space Development Cockburn Central



Affordable housing is a significant issue in the Perth Metropolitan Region which is being exacerbated by fewer dwellings being built than required for population expansion and building larger houses than are needed for household sizes.

In Western Australia over half of the households are a lone person or a couple with no children yet the average number of bedrooms per dwelling is 3.34 and increasing (ABS 4130.0 2011/12).

The issue is not simply housing diversity as it is the aspiration of most homeowners is to live in a three bedroom or larger detached house.

In the South West Metropolitan Region, the predominant dwelling is a detached house comprising 83.4% of total dwellings. Units only comprise 6.4% of housing stock (see Table 1).

Table 1: Housing Stock in the South West Metropolitan Region

Dwelling Type	Cockburn	East Fremantle	Fremantle	Kwinana	Melville	Rockingham	Total
Detached House	27 493	1 853	7 032	9 081	28 662	31 990	106 111
Semi-Detached	2 808	424	2 333	476	4 202	1 983	12 326
Flat or Unit	1 432	324	1 490	420	2 585	1 829	8 080
Other	106	12	170	9	29	359	685
Total Dwellings	31 839	2 613	11 025	9 986	35 578	36 161	127 202

Source: ABS Census 2011 Expanded Community Profiles Chart X25

In the South West Metropolitan Region, the majority of lone person householders live in detached housing. This proportion is highest in the area of greatest disadvantage (see Table 2).

Table 2: Lone Person Households in the South West Metropolitan Region

Dwelling Type	Cockburn	East Fremantle	Fremantle	Kwinana	Melville	Rockingham	Total
Lone Person Households	6 436	697	3 644	2 213	8 456	7 427	28 873
LPH Living in Detached House (%)	4 459 (69.3%)	345 (49.5%)	1 670 (45.8%)	1 778 (80.3%)	5 093 (60.2%)	4 992 (67.2%)	18 337 (63.5%)

Source: ABS Census 2011 Expanded Community Profiles Chart X25

Image of Affordable Housing

The Australian Housing and Urban Research Institute (AHURI) in its recent Report 211 found that:

“there was poor understanding of what affordable housing was, who owned it and managed it and who lived in it”. Most affordable housing proposals are not controversial but a small number of high-profile cases undermine political and public support for affordable housing provision. Levels of opposition to affordable housing tend to be greater in relatively wealthy areas, especially where there is no precedent for multi-unit development or affordable housing. Opposition to affordable housing is highly localised, with most submissions made against affordable housing proposals coming from people living close to the site”.

AHURI contended that planning assessment processes can generate or exacerbate community opposition to affordable housing, especially where community involvement is limited.

This highlights the need for careful and inclusive planning on affordable housing policy and projects. The use of public-private partnerships and Community Housing Providers has improved the image of affordable housing.

Role of Planning in Affordable Housing

Planning can play an important role in influencing housing affordability by increasing density and providing for different forms of dwelling construction and dwelling configuration.

Planning can also provide for innovation and to assist guide behaviour to more sustainable outcomes, however the limitations on the planning process in delivering affordable housing outcomes must also be recognised given that financial and market based factors have much greater influence.

The planning system can support affordable housing by focussing in facilitating diversity, encouraging a range of housing types, and ensuring there are no unnecessary restrictions on development that may negatively impact on housing affordability.

The challenge is to meet the aspirations of homebuyers, maintain or enhance amenity for existing residents and to avoid establishing future social problems.

Left to their own devices the community and enterprise will manage housing affordability issues but in a sub-optimal manner. Typical responses include establishing boarding houses, long term use of short stay accommodation such as caravan parks, leasing of poor quality housing, camping and multiple families in single houses.

The State Government created significant problems by opportunistically using locations such as Kwinana and Wundowie for extensive social housing without providing the services and interventions to mitigate resulting issues.

Government initiatives linked to planning have tried to demonstrate the use of semi-detached and unit developments in areas of high amenity. East Perth and Subiaco were Better Cities initiatives that used redevelopment authorities to demonstrate how density and amenity were compatible. Due to high land value, these redevelopments struggled with their affordable housing commitments but showcased innovative housing and created vibrancy.

Inter war planning provided for post-depression development in Sydney and Melbourne to produce many 40 to 60 square metre one bedroom units. These inner city heritage units have maintained their popularity as they were typically well built in three or four storey developments with good access to public transport. They support the assertion that householders will compromise on space for location.

The City of Fremantle has taken two initiatives to allow additional dwellings on residential land by allowing “granny flats” without a need for a familial relationship with the tenant and proposing additional dwellings irrespective of zoning for eligible sites (refer to Appendix 2).

Role of the South West Metropolitan Region in Affordable Housing

The South West Group member Councils have been at the forefront of affordable housing initiatives in the Perth Metropolitan Area. The Cities of Fremantle and Cockburn are mentioned in the discussion paper and there are many affordable housing initiatives in the South West Metropolitan Region.

The Cities of Rockingham and Kwinana have been working with Community Housing Providers and the Not For Profit sector in developing affordable housing. Appendix 3 provides further detail on key initiatives in the South West Metropolitan Region that have delivered an affordable housing component.

Table 3 shows that the number of houses being built does not match population growth and that the region has a high investment per dwelling.

Table 3: Building Approvals South West Metropolitan Region 2012-13

Houses (Number)	Other Dwellings (Number)	Total Dwellings (Number)	Value Residential \$000	Value per Dwelling \$	Population Growth 2011-2012 (Persons)	Population Growth per Dwelling (Persons per Dwelling)
3 468	693	4 168	\$1 109 984	\$266 311	14 274	3.42

Source: ABS 8731.0 and ABS 3218.0

The South West Metropolitan Region needs to attract and encourage more housing investment so that new dwellings match population growth. Based on the Western Australian average of 2.56 persons per dwelling, another 1,407 dwellings needed to be built in the region to meet housing demands.

South West Group advocates for affordable housing through a range of initiatives including the provision of government financial incentives for the development of affordable housing, through relaxation of various applicable taxes (GST, Stamp Duty, Land Improvement Tax etc) and other economic instruments. This advocacy role reflects the position that direct planning requirements can only have limited influence on affordable housing and that financial and market based mechanisms have greater ability in delivering affordable housing outcomes.

Role of Developers

Land development is an activity that should not be fettered by a myriad of requirements. Complexity inevitably leads to delay, which increases risk and cost. Mandating housing affordability requirements on private land is not supported. Where the development is on land sourced from government, or government is a partner in the development, then it is reasonable to mandate affordable housing requirements.

Land developers have contributed to affordable housing by including small sized lots with dual access to suit terrace housing developments, such as the 280 to 320 square metre sites offered in a number of Satterley Property Group developments in the region and in adjacent areas to the east.

Community expectations

The Department of Housing, in the publication *“The Housing We’d Choose: a study for Perth and Peel”*, identified that 98% of those surveyed wished to own their own home and 79% wished to live in a detached house. Interestingly, up to 35% would live in a semi-detached house if their choice of location was constrained by income.

Only 16% of those currently living in an apartment wished to remain in an apartment.

Based on this information, it seems that the most productive area for moving away from the dominance of detached houses may be through increasing the inventory of semi-detached houses in high amenity locations throughout the region.

Implementation Options

Given the high expectations of householders and the limited support for apartment living, the emphasis over the next decade should be on affordable semi-detached houses in activity centres and corridors, with good access to public transport. All spheres of government should cooperate in demonstration projects of high amenity affordable semi-detached housing in activity centres.

Innovative ways to allow a house to transition through the home-owners life should also be considered. With careful placement of kitchens and bathrooms, a four bedroom two storey house could become two separate dwellings.

The reverse can also occur where small adjoining two bedroom units are combined into one ownership arrangements, despite physical separation. There are many instances of multiple units being held in Windsor Towers in South Perth and used by one owner.

Given the demographic change expected over next 40 years there should be explicit provisions for affordable housing for seniors, including co-housing.

Voluntary incentives for encouraging affordable housing should be supported in selected locations with good public transport or high employment potential, however

Expansion of shopping centres should include provision for housing and office developments to help activate main street areas and increase density within adjoining areas. The current planning to double the size of the Garden City development at Booragoon is a good example of this approach and aims to improve housing diversity by adding 120 dwellings in the first stage of development.

Mandatory affordable housing requirements for private developers are not supported as a broad policy.

Planning can facilitate the role of Community Housing Providers and the Not For Profit Housing Sector and the provision of suitable located government land has been a trigger in other states for significant activity in these sectors. However the implementation and regulation of affordable housing largely falls outside of the planning system and should therefore be managed by a lead agency such as the Department of Housing

Diversity and Transition Costs

Strategies and policies to support an ageing population are required and would enable residents to remain in the area that they have lived and raised families.

Many of the occupants of large houses do not move to smaller dwellings due to a number of factors including:

- 1) Lack of availability of suitable smaller ground level housing within their community
- 2) Risks in the sale process due to small inventories of suitable housing and possible need for bridging finance
- 3) High transfer costs

A program should be developed that provides incentives for seniors to move out of re-developable property to a smaller property, such as reducing stamp duty on transactions or supporting bridging finance. The State Government can play a lead role in establishing such incentive schemes.

Diversity is still an important factor in housing affordability and a high priority should be given to achieving dwelling diversity in activity centres and along major public transport routes.

Model Developments

The South West Metropolitan Region will have significant population and employment growth over the next 40 years.

The South West Group members Councils are keen to demonstrate best practice housing development in activity centres and along major public transport routes, in partnership with State and Federal Governments. Part of this best practice initiative should be to shorten journeys to work and improve active transport.

The Living Space development at Cockburn Central is an excellent example of a model development in an area with good public transport linkages (see Appendix 1) and should be replicated in other areas throughout the region.

APPENDIX 1

LIVING SPACE COCKBURN CENTRAL DEPARTMENT OF HOUSING

Living Space, the Department of Housing's innovative and sustainable development at Cockburn Central in Perth's southern corridor, is turning heads with its eye-catching design and affordable housing offerings. Close to major transport routes, hospitals, educational facilities, sporting venues and shopping precincts, the medium density, mixed-use project was developed to offer affordable housing opportunities in a vibrant and engaged environment, while showcasing leading edge designs.

Living Space introduces an innovative mix of affordable rental and home ownership options to Cockburn Central area and is being hailed as a great success. More than 75 per cent of its 130 residential units are now occupied and interest in the one, two and three-bedroom properties remains high.

Funded through the Commonwealth's Nation Building Economic Stimulus Plan, the development consists of 67 one-bedroom, 56 two-bedroom and seven three-bedroom residential units, as well as six commercial units. The units are spread across the five buildings ranging from three to five stories. The buildings that make up *LivingSpace* are a varied group each created with individual character, entrance addresses, names and aspect resulting in a spatially rich and rewarding place to live.

Developed in partnership with contractor Probuild Constructions (Australia), work started on the project's futuristic design in November 2010. The development features unique landscaping, universal and adaptable design elements, and six-to-ten star energy ratings. It is one of the largest energy-efficient buildings in the State, and the first multi-storey residential building in WA to be linked to the National Broadband Network *Living Space* will provide both home ownership and rental opportunities to meet the needs of a range of households.

Twenty-five units are being sold through the Department's Opening Doors Affordable Sales Program, with a large proportion of these being offered under a shared home ownership scheme targeted at low-to-moderate income households. A key innovation is also the allocation of 52 units for a pilot affordable rental program for key workers that meet certain income and asset eligibility criteria. These units will be rented at 20 per cent below the market rent.

A further 23 units have also been leased under a Key Worker Rental Program that supports the resource industry. These units are leased to Chevron staff working on some initial critical components of the Gorgon gas project and have also been made available for sale to investors. Six units in the development will be leased for commercial use, and 26 allocated for social housing. Four units have also been allocated for sale to social housing tenants transitioning to home ownership.

APPENDIX 2

CITY OF FREMANTLE PLANNING INITIATIVES

The City of Fremantle has already introduced a small dwelling scheme that enabled Fremantle homeowners to build granny flats without the need for a familial relationship to the tenant. Now the City of Fremantle has taken its density planning to new lengths with a draft planning scheme amendment which allows homeowners to build dwellings on eligible sites, irrespective of the sites planning density coding.

The City is now seeking public comment on the proposed planning scheme amendment (Amendment 50) that will provide greater flexibility for homeowners and result in more diverse and affordable housing in Fremantle.

The amendment will allow for the development of one additional dwelling per lot on residential properties where the lot benefits from front and rear road access. The provisions will assist in the delivery of infill housing at a range of different densities because homeowners won't be confined to the standard lot size requirements of the R-Codes.

The provisions also require new dwellings to address the alternate frontage to the existing house on the site, meaning rear streets will benefit from improved street activation and surveillance.

The key requirements of the provisions in the proposed amendment are:

- The property must have frontage to more than one gazetted road. The provisions will not apply to properties with a secondary frontage to a right-of-way or private street. Properties at street corners are also excluded
- The additional dwelling will need to address and gain access from the rear street
- The additional dwelling will still need to meet other planning requirements, such as those relating to parking, setbacks, building height and open space
- The provisions will not apply to subdivision, meaning the provisions will not result in the creation of vacant sites.

The amendment was advertised for public comment with the submission period concluding on Friday 4 October 2013.

APPENDIX 3

STATE GOVERNMENT PROJECTS AND PARTNERSHIP PROJECTS

Wellard

Located 35 kilometres south of Perth, The Village at Wellard is the first dedicated transit orientated development in Perth's southern corridor and features a pedestrian friendly village centred around the Wellard train station on the Perth to Mandurah railway line. The Village at Wellard is a joint venture between the Housing Authority and Peet Limited. The Wellard Joint Venture has realised 367 sales. Construction of the Wellard Community Centre commenced in September 2012, and is expected to be completed in September 2013. In September 2012, the Housing Authority also formally offered Lots 211 and 535 to Peet Limited for the construction of a retail site at the village centre. The anticipated completion date is June 2015. A record number of first homebuyers took advantage of Government initiatives for affordable housing at Wellard which includes shared equity opportunities for low to moderate income families and purchasers.

Keralup

Keralup is a 4,000 hectare parcel of land owned by the Housing Authority, located between Rockingham and Mandurah. The development has the potential to yield 30,000 lots and house up to 90,000 people in a project that will span up to 50 years.

In November 2012, the Housing Authority was successful in securing a rezoning to urban deferred for the first stage of the project (referred to as Keralup West) with a potential yield of 1,100 lots. The Housing Authority is now progressing planning approvals for Keralup East (3,900 hectares) with a view to securing a rezoning to urban deferred on this portion of the land holding in 2016.

Beach Street, Fremantle

The Somersault development (formerly known as Fort Knox) at Beach Street, Fremantle comprises 58 one bedroom apartments. Twenty-four of these, with a value of \$9.08 million have been allocated to Southern Cross Housing Ltd. The development was purchased through the Commonwealth Stimulus Stage 2 funding and assists target groups, including shared equity home owners, social housing for seniors and affordable sales.

Stella Orion, Cockburn Central

130 apartments in Stage Two of 'Stella Orion' have been developed with around 30% specifically for people on low to moderate incomes, with a further 120 currently under construction

Golden Bay

Golden Bay is a joint venture with Peet Limited with 1,700 lots to be developed over 10 years.

Belgravia Central Transit Orientated Village Bertram

Belgravia Central or Bertram North adjoins the Kwinana Rail Station and is part of the WA Government development of Kwinana. It is a joint venture project between the Department of Housing and Satterley Property Group Pty Ltd. This project will ultimately deliver 1,048 dwelling units, on a total of 701 lots. This achieves a net 15 dwellings per hectare of urban zoned land, and is one of the first suburban residential projects to demonstrate fulfilment of this density target set under the Western Australian State Government's Directions 2031 strategic plan for Perth and Peel.

Evermore Heights, Baldivis

Evermore Heights is a joint venture between Satterley Property Group and LandCorp and has been designed to deliver sustainability and housing affordability requirements with lot sizes ranging from 218 to 606 square metres. Evermore Heights has been a finalist at UDIA WA Awards for Excellence in the categories of *Affordable Development* (2013), *Sustainable Urban Development* (2011) and *Urban Water Excellence* (2009).

Sea Breeze, Waikiki

This 8.39ha site is being developed by LandCorp. It was formerly reserved for the Waikiki High School and is located approximately 3.5km from the centre of Rockingham and only 1km from Warnbro Sound. The site will be developed incorporating affordable and sustainable principles to yield 106 lots and up to 149 dwellings, offering a range of low to medium density housing.

Medina Neighbourhood Centre

A residential development in Medina Neighbourhood Centre is a joint project between the City of Kwinana, the Medina community, Commonwealth Government and Nicheliving to deliver 60 affordable dwellings.

The development is directly adjacent to amenities such as the Medina Shopping Precinct, Community Hall, Town Park and other community facilities. The Medina Neighbourhood Centre is located 1500m north-west of the Kwinana Market Place and the local bus service links residents to the regional bus and metropolitan Perth to Mandurah rail network. A \$3 million Commonwealth Funding Grant will provide a direct rebate of \$50,000 to 60 home buyers. Nicheliving are also implementing systems developed in the affordability sector to deliver the homes at market value equating to about half of Perth's current median price.

The dwellings will comprise of a mix of 1 and 2 bedroom apartments, 2 bed townhouses and traditional 3x2 dwellings. Dwellings will include modern architecture features whilst complementing the unique historical built form in Medina. The residential development will also include tree lined streets to complement the unique street plantings in Medina and will provide a vehicle / pedestrian boulevard linking the shopping precinct to the Town Park. The residential development is part of the Medina Neighbourhood Centre Revitalisation Strategy that will provide an economic stimulus to the neighbourhood centre aimed at encouraging public and private investment into the area.

The residential development is also providing funds for an upgrade to community facilities in the Town Park. The project is due for completion in December 2014. Nicheliving have a register of interest for all of the 60 dwellings.

OPENING DOORS PROPERTIES FOR SALE IN THE SOUTH WEST METROPOLITAN REGION (October 2013)

Location	Number of Properties	Number of Bedrooms	Price Range
Baldivis	8	3 bedroom	\$346,500 to \$362,250
Bertram	3	3 bedroom	\$340,000 to \$399,000
Fremantle	2	1 bedroom	\$405,000 to \$415,000
Orelia	1	2 bedroom	\$199,000
Wellard	12	3-4 bedrooms	\$383,250 to \$440,000
Total	26	1-4 bedrooms	\$199,000 to \$440,000