

Submission Cover Sheet

Fishermans Bend Planning Review Panel

243

Request to be heard?: Yes

Precinct: General

Full Name: Nicola Foxworthy

Organisation: Affordable Housing Industry Advisory Group

Affected property:

Attachment 1:

Attachment 2:

Attachment 3:

Comments: Attached



C/- Nicola Foxworthy, Chair
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Fisherman's Bend Draft Framework – Affordable Housing

The Affordable Housing Industry Advisory Group (the Advisory Group) welcomes the opportunity to provide comment on the Draft Fishermans Bend Framework.

Our feedback is made in relation to the affordable housing aspects of the proposed Framework.

The Affordable Housing Industry Advisory Group (the Advisory Group) comprises of representatives of Victoria's leading residential development and affordable housing peak bodies, private and not-for-profit development and financing organisations, as well as reputable industry advisers. A list of members is set out in Attachment 1.

The Advisory Group is committed to utilising its cross-industry expertise to inform and influence government decision-making to ensure that affordable housing policies are viable and sustainable in the long-term, underpinned by an understanding of the market context, development economics and assessment of risk, and structured to support industry co-investment.

Advisory Group members have welcomed the opportunities to engage with the FBURA team in regard to the delivery of affordable housing in the Fishermans Bend Urban Renewal Area (FBURA).

The Advisory Group has developed the attached Discussion Paper which explores and undertakes hypothetical feasibility analysis of potential land use approaches to facilitating affordable housing, including the provision of additional floor area coupled with a guaranteed planning approval timeframe. This concept has similarities to the Floor Area Uplift provision proposed for the FBURA and we encourage the Taskforce to note the key points made in the paper in relation to this concept.

In regards to the proposed Framework and the delivery of affordable housing, the Advisory Group:

1. Commends the Government for recognising the importance of affordable housing to the success of the FBURA;
2. Note that to address the level of affordable housing need at the scale required across Victoria, significant investment by Federal and State Governments is required;
3. Note that land-use planning approaches, if appropriately structured, is one of several tools that the State Government can utilise to enable co-investment in affordable housing;
4. Supports, in-principle, the application of a voluntary, incentive-based approach to delivering affordable housing in the FBURA through the use of a Floor Area Uplift provision, assuming

this approach is economically viable and does not unintentionally limit development progressing;

5. Notes that the provision of additional floor area must be sufficient to offset the costs of delivering the affordable housing and incentivise developer take-up;
6. Caution against setting the floor area ratio artificially low in order to apply an uplift;
7. Supports the direction of affordable housing to a Victorian registered housing agency and notes that this allocation will provide sufficient comfort the dwelling will be appropriately managed and allocated to households in need of affordable housing without the need for the Government to set allocation requirements or impose covenants on title;
8. Suggests further detail regarding the proposed Floor Area Ratio and Uplift and specifically, the development economics underpinning the proposed scheme is provided to enable further assessment by industry and engagement with government;
9. Recommends that supporting policy documents are prepared as part of the implementation of the Framework to support land owners to deliver and transfer assets in to an affordable housing purpose with ease;
10. Recommends that any land bought previously; which would have been purchased for an amount that was based on a much higher land value yield due to the expectation of being able to realise up to 40 storeys without the FAU scheme; is exempt from the proposed changes associated with the FAU mechanism.

It is noted that the feasibility analysis set out in the Advisory Group's Discussion Paper found that on a hypothetical development of 100 dwellings, the provision of an additional 10 per cent in additional floor area for market sale would support the delivery of 3.3 dwellings to an affordable housing purpose, increasing to 5.4 units for 20 per cent additional floor area, without impacting on the development margin. i.e. the ability to build an additional four dwellings for market sale would support one dwelling being built and directed to an affordable housing purpose.

On this basis, and without undertaking specific feasibility analysis in relation to the FBURA or the proposed floor area uplift, it appears that the provision of an 8:1 market to affordable housing floor area uplift as proposed for FBURA would be viable and a sufficient incentive to encourage up-take. In noting this we have not considered whether the base floor area ratio is set too low or other proposed requirements that may impact on development viability.

The Advisory Group members would welcome the opportunity to work with the Government to undertake further analysis of the floor area uplift to ensure it is viable, transparent and standardised, and to input in to the development of supporting policy documents.

Yours sincerely



Nicola Foxworthy

Chair

Attachment 1 – Affordable Housing Industry Advisory Group Membership (December 2017)

- Common Equity Housing Limited (Chair)
- Urban Development Institute of Australia – Victorian Division
- Property Council of Australia
- Planning Institute of Australia
- Community Housing Industry Association Victoria
- ISPT
- Community Sector Banking
- Bank Australia
- Charter Keck Cramer
- Grocon
- Frasers Property Services
- Burbank Group
- Stockland
- Port Phillip Housing Association
- Housing Choices Australia
- YWCA
- Haven; Home Safe
- National Affordable Housing Consortium
- MGS Architects
- Tract Planning