



Developing affordable housing through manufactured estates

How community housing can deliver solutions to the affordable housing crisis in NSW

The NSW Federation of Housing Associations (the Federation) welcomes the opportunity to provide feedback to the NSW Department of Planning and Environment's (the Department) discussion paper on manufactured homes, caravan parks, manufactured home estates & camping grounds. Community housing providers recognise the need to harness the full range of options to respond most effectively to the housing affordability crisis in NSW. Within this context, manufactured homes and caravans provide important housing opportunities.

What is the size of the problem?

Since Government housebuilding investment was sharply cut in 1996, only around 10,000 additional dwellings have been added to the NSW affordable housing stock over and above public housing sales and demolitions. As a result, there are 59,500 households on the waiting list for social housing across the state, which the NSW Auditor-General forecasts will increase to more than 86,000 households by 2016.

Housing affordability is steadily decreasing with the proportion of mortgage finance taken out by first home buyers in NSW reaching a historic low of 7.9 percent in the three months to June 2013. Contributing to the housing affordability crisis is a shortage of 100,000 rental units available to lower-income NSW families. As a result, Sydney has become the third most expensive city in the world in which to buy or rent with only 5 suburbs (out of 540) affordable for renters on minimum wage.

What is community housing?

Not-for-profit community housing organisations have been providing high

The top 20 NSW community housing providers



Manage
32,500
tenancies

Employ 900
dedicated staff



Run 67 local
housing offices

Income of nearly
\$940 million p.a.



Capital base of
\$3 billion

Have \$200M bank
debt invested in
affordable housing



Top 20 CHPs ordered by number of tenancies and based on data submitted to the Federation.

quality rental housing for people on very low to moderate incomes for over three decades. Our NSW sector contains the largest, most accomplished, dynamic and professionally led organisations in Australia. With over 38,000 tenancies, our 27 leading organisations manage more homes than Victoria and Queensland providers combined. The sector

has low rent arrears, minimal vacancy rates, and high tenant satisfaction.

Recommendations

To provide an efficient system for affordable housing delivery through manufactured homes, the Federation recommends action be taken under the following headings:

- Single approval system
- Approval of manufactured homes outside caravan parks and manufactured home estates
- Housing within existing manufactured estates and caravan parks
- Development standards
- Park standards
- Flat-pack kit homes

Single approval system

The Federation supports the Department's proposal to streamline the current dual system of approvals and incorporation into the planning system. However, the Federation would like to emphasise that any new system should not add unnecessary requirements or reduce flexibility for moveable dwellings.

It is important to retain streamlined processes for the installation of manufactured homes and other moveable dwellings in keeping with their pre-fabricated construction, as this is crucial in maintaining the affordability and flexibility of these options.

Approval of manufactured homes outside caravan parks and manufactured home estates

The Federation supports the Department's options to improve the permissibility of manufactured homes outside of parks and estates. There is great potential for community housing providers in exploring greater use of moveable dwellings on standard sites where they can provide a flexible, adaptable and cost effective option

with faster development times, as well as on challenging sites, which are not as well suited for traditional construction. The Department should grant special considerations and approvals for community housing providers for manufactured homes on these sites.

Legislation should also be amended to allow for the creation of multiple pre-fabricated dwellings onto smaller plots of land. This would enable community housing organisations to provide more flexible housing solutions while also achieving higher densities with low rise housing.

Housing within existing manufactured estates and caravan parks

It is crucial to recognise the role played by caravan parks and manufactured home estates in providing both short and long term affordable accommodation, and in enabling displaced households to stay within their existing communities.

Many people currently use caravan parks for long term residential affordable housing purposes. The importance of this role should be explicitly recognised and provisions surrounding caravan parks as not being 'permanent' needs to be addressed. For example, caravan parks should be designated as either tourist or community housing parks. The regulatory framework should be amended to recognise and support these important functions.

The legal positions of longer terms tenants also needs to be considered. Regulations need to reflect a tenant's ability to buy and sell their properties. There should also be a fair and equal balance between the landlord's choice to control which tenants occupy their property and tenant's rights in the rental process.

Development standards

If manufactured homes and other moveable dwellings are to comply with the Building Code of Australia, it is important that in doing so, the same standards and approval requirements for regular development are not simply applied to these forms of development irrespective of their suitability. This would undermine the important benefits these alternative housing forms offer in terms of affordability and flexibility.

The development standards for manufactured home estates and caravan parks should balance the need to protect the amenity for residents and visitors with the aim of facilitating affordable housing opportunities and protecting the natural environment. Particular consideration should be given to those requirements, which may impede the establishment of new manufactured home estates or caravan parks in suitable locations.

Park Standards

Caravan parks may be used for temporary accommodation for people at risk of homelessness. However, the environment of some caravan parks is not always ideal for certain client groups, and at times presents a safety risk due to poor management of common areas and clients who exhibit poor behaviour and drug use. Regulations should ensure that amenities meet minimum standards and safe operational environments are provided for whichever group(s) of clients (tourist or residential) use these parks.

Flat-pack kit homes

Flat-pack homes offer important opportunities in terms of affordability and flexibility. Current restrictions on their use within manufactured home estates and caravan packs may be unwarranted and should be reconsidered.

Concluding remarks

The Federation welcomes the Department's initiative to improve the regulation of manufactured homes and estates, caravan parks and camping grounds. Within the discussion paper, the Department noted that *'only a small number of community housing providers expressed interest in being involved in the management of Residential Parks'*. With current regulations in place, manufactured homes are not currently an efficient mechanism of affordable housing delivery. By applying the recommendations listed in this submission, participation rates amongst community housing providers will rise and housing affordability issues can be more effectively addressed.