

SUMMARY OF CONSULTATION

Housing Industry Association and Master Builders Association

Date of consultation: 28 August 2017

Group consulted with: HIA and MBA

Number of attendees: 8

Name of organisations: HIA and MBA

Key themes arising from the consultation

- The supply of land needs to be consistent, transparent and meet underlying demand.
- Planning and building codes restrict the development of affordable products in established suburbs.
- Taxes, charges and added costs result in decreased affordability as developers push these added costs on to the price of the final products.

Key quotes

- “The need to generate revenue from land sales has caused a blind spot in getting families into homes.”
- “Why is brownfield development not a focus of affordable housing?”
- “This is the time for Government to be brave and just give it a go – it’s better to try something, fail and learn from it than keep sitting on your hands.”

What is working well?

- National Rental Affordability Scheme works well for students
- Land Rent
- Ownplace
- Developing a new strategy is commendable
- Phasing out stamp duty
- Increase of public housing

What could be improved?

- Planning and building code flexibility to allow underutilized buildings to be re-purposed for affordable housing.
- LVC is an inhibitor to developing dwellings – especially with the increase to \$30k per dwelling.
- Reduce rates and taxes around the delivery of affordable products, e.g., LVC remits. Land tax & increased rates adds to affordability issue.
- Unit Titles disincentives as it takes a long time to process an application.
- Upfront building costs from over regulation means added costs are ‘built-in’.
- Over-regulated design inhibits innovation.
- Methods of land release don’t encourage a competitive market and drive up land prices.
- Development charges impact affordability – e.g., utilities charges.
- Territory Plan changes need to have more industry buy-in before they are implemented. There is little cost benefit analysis done as often changes result in significant cost increases.
- Allowing windfall gains in resale of affordable products. Set eligibility to ensure products are going to the right people
- Allowance of dual contracts from builders.
- Land and built-in costs are prohibitive to building affordable detached housing.
- There is not a supply of ‘ready-to-build’ land available. Review the way in which land is valued and then sold by Government. Throsby was a poor example.

New ideas

- Create opportunities for a competitive market where developers can purchase land at a price point where they can develop affordable housing.
- Ensure industry is meaningfully engaged on planning and building changes and policy development in the housing space.
- Work with industry to develop alternative housing options including materials, designs and delivery methods.

- Establish clear policy positions for the targeted delivery of affordable products
- Set up a database of qualified/eligible purchasers as well as qualified builders/ sellers and ensure that there are monitoring, reporting and compliance tools developed to ensure sellers/builders/developers are doing the right things. Make this available to industry and work with industry on compliance/rectification requirements.
- Work with industry to look at the costs associated with affordable housing, suggest using existing industry groups such as HIA planning committee.
- Look at provisions to allow consolidations and subdivisions to occur in infill areas as a means to increase density
- Ensure that supply of land by government meets the underlying demand.
- Work with Industry to develop a pipeline and program of developments across the ACT to better understand market conditions.
- Look at demonstration or pilot programs to test new ideas.
- Look at incentives to increase density such as floor space or density bonus, fast tracking approvals (DA/BA/UT), tax/rate/charge exemptions, flexible planning controls e.g., water tanks, number of units, plot ratios.