
Hallmark Research Initiative for Affordable Housing
University of Melbourne

The Burning Questions and Big Ideas of Affordable Housing

Insights – facilitated by MosaicLab

1 June 2021



**AFFORDABLE
HOUSING
HALLMARK**

Table of Contents

Speaker Insights	4
Alan Pert - Chair, Hallmark Research Initiative for Affordable Housing	4
Caryn Kakas – Head of Housing Strategy, ANZ	4
Damien Webb – Head of Income and Real Assets, AWARE Super	5
Heather Holst - Victorian Commissioner for Residential Tenancies.....	6
Katelyn Butterss - Manager, Victorian Public Tenants Association	6
Rebecca Bentley - Director, Centre for Research Excellence in Healthy Housing	7
Morgan Lee Cataldo - Senior Manager, Youth Engagement, Berry Street.....	7
Robert Pradolin - Founder and Director, Housing All Australians (HAA).....	8
Key Themes and Burning Issues	9
1) Changing public perceptions about social and affordable housing	9
2) Encouraging systemic responses to social and affordable housing	9
3) Creating systems for private-sector investment and involvement in affordable and social housing delivery.....	9
4) Maximizing the social value and quality of housing development	9
5) Re-considering the range of housing options	9
6) Peri-urban and growth areas.....	10
7) Affordable housing construction	10
8) Supporting 'right-sizing' and age-appropriate housing options for older people living in affordable and social housing.....	10
9) The role of Local Government	10

The Hallmark Research Initiative for Affordable Housing is a University of Melbourne research group focused on fostering cross-faculty research initiatives on the topic of affordable housing. The Initiative brings together outstanding researchers from across the University of Melbourne to address the housing affordability crisis. Supported by an advisory group of industry experts, the Initiative draws on a depth and breadth of knowledge to create affordable, healthy, inclusive, sustainable communities. The Initiative aims to develop innovative solutions to a complex issue that can't be solved by one discipline alone.

On Tuesday 1st June 2021 the Hallmark Research Initiative for Affordable Housing (HRIAH) hosted an online Speed Dialogue event designed to support networking, inform the HRIAH's future research agenda and help participants to prepare for the 2021 Seed Funding round.

We invited eight leading thinkers in the affordable housing sector to respond to the provocation *"To make a systemic change to affordable housing, research really needs to tackle the following question..."* Below we capture their insights.

We also capture the key topics, themes and questions that emerged from the many conversations that unfolded over the course of the evening across 40 participants from academia, industry, government and not-for-profit sectors. The themes and questions were captured through a collaborative on-line note-taking process and help to inform the HRIAH's future research agenda. While these themes and questions are important, they are just the beginning. We welcome further input to expand existing topics or propose entirely new areas of focus.

Conversations will continue at another online dialogue on June 25 – this one designed to progress research proposals and support further networking for participants. [Register here](#).

Speaker Insights

Alan Pert - Chair, Hallmark Research Initiative for Affordable Housing

- **Burning question: how can we create, measure and incentivize social value in procurement and development decisions?**
- We need to consider social value in relation to community infrastructure and social services
- In the UK the Public Services (Social Value) Act requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Social value is now up to 30% of criteria on contracts
- We should do something similar in Australia
- Social value should consider health and well-being, jobs and community
- Potential for research on community social impact measurement
- Architecture and design should show that occupants have value, are 'worthy' of having a lovely home
- Indigenous procurement policy in Australia is an example of how procurement policy can make a big difference
- Research opportunity: A social value toolkit for architects and others

Caryn Kakas – Head of Housing Strategy, ANZ

- **Burning question: How can we best de-risk affordable housing provision?**
- There are 'wind up' provisions related to social housing that protects against particular social housing organisations folding, but people don't know about that
- Government has a role in distributing risk, or sharing it
- Important to consider 'social mix' in terms of dynamics that come out of the infrastructure to enable blended communities
- We don't capture stories about 'what has worked' in Australia well enough – we draw on examples from the UK/ Canada, but we need to know what is happening HERE.
- Opportunity: seeking ways to create scale in affordable housing – evidence-based approach to appeal to banking sector.
- Opportunity: models/ pilots of successful housing mix/ tenure etc. and advertising / positive representation of these
- Important to understand consumer choices, perceptions about mix between social and market housing and risk associated with this.
- Potential to fund projects that focus on innovative housing delivery models across the private, public and not-for-profit sectors.
- [ANZ CoreLogic Housing Affordability Report](#) - market analysis of the Australian housing market

- Key goal for housing sector: Create equity to bring projects to market, de-risk projects based on experiences and do it again with aim of increasing projects. This is where research can play a role.
- Caryn spent past three years working on healthy homes to improve delivery in New Zealand.

Damien Webb – Head of Income and Real Assets, AWARE Super

- **Burning question: How can we deliver affordable housing at the large-scale institutional level?**
- Useful to test the key worker definition to incorporate lived experience- working hours, transport options and household type
- We need a mechanism/ model that works for investors and utilises the tax status of CHP
- Businesses are looking for profit - but AWARE think social housing can provide a reasonable level of return of around 7-9% return.
- Community Housing Providers (CHP) have tax status - super has the structure, can they come together.
- More programs with CHPs could potentially increase supply
- Financial models that bring together Aware Super and CHPs to create novel financial models that produce reasonable returns.
- Could the PPP model work with the right rate of return for the associated risk of using land to develop affordable housing and operating it with the CHPs?
- How can we capture "leakages" to fund affordable housing?
- A major stumbling block for this sector has been the 'funding gap' between revenue from rents paid by low-income tenants and the cost of developing and maintaining good-quality housing.
- Potential for large-scale investment in affordable housing if the federal and state governments remove the hurdles that prevent the economics from making sense.
- [Aware Super backs \\$300 million affordable housing project](#)
- Aware Super plans to nearly double its spending on key-worker housing, boosting to almost \$800 million the value of the superannuation fund's investment in affordable homes rented at about 80 per cent of market value.
- Risk to superannuation industry to invest in affordable housing as they are duty bound to shareholders.
- Members of fund concerned about lack of housing supply
- Change funding models to encourage Build to Rent, lead the way for other super funds to join in, named Aussie, HESTA

Heather Holst - Victorian Commissioner for Residential Tenancies

- **Burning Question: How do we change public perception of social housing? Make it more positive. Poor perception costs money, mainly in planning delays due to objections.**
- Cohousing communities want to be intergenerational and socio-economically diverse - a mixed tenure project would be supported by the formal and informal processes inherent to the cohousing model
- Stigma has got worse for people, needs to be better understood and addressed.
- Need for a broader conversation with the community around inclusion and diversity.
- Opportunity: Marketing and engagement program to de-brief the profile of social housing tenant assumption - 'I'm just like you'
- How is the greater narrative of the Great Australian Dream and homeownership contributing to the negative stigma of social housing?

Katelyn Butterss - Manager, Victorian Public Tenants Association

- **Burning question: How can we encourage 'right sizing' in public housing without threatening security of tenure.**
- Communicating the benefits of right sizing and prioritising the shared spaces of a project not the private dwelling spaces
- There is currently a system of swapping homes between tenants. Not well managed and using gumtree. Rules make people scared to move because they will lose advantages they have and be forced into minimal space.
- In Victoria, 4.2% overcrowded. 17% public housing under-utilized. Older couples in family home. General transfer processes do not support such transfers.
- Swedes have developed swapping platforms--tenant to tenant, and this could be applied here.
- Ensure Big Housing Build caters to most vulnerable who may not be housed adequately by community housing providers
- Perth as a case study of older people downsizing in public housing
- Opportunity: incentive downsizing through local relocations to closer knit communities of people of the same age

Rebecca Bentley - Director, Centre for Research Excellence in Healthy Housing

- **Burning question/ provocation: If consumers better understood health implications of housing, that could really promote change - changing consumer expectations is powerful**
- We need voices in health and prevention talking about housing
- Developers say 'for consumers, it comes down to cost' - but if we think about health 'selfishly' then perhaps that's a useful framing - what is the cost to me of unhealthy housing?
- This could be a really fruitful area for citizen science
- We have standards for sustainability, energy efficiency... what about for health in housing?
- Focus not just on the healthiness of housing in the formal social housing sector, but across all vulnerable populations, including the majority that are excluded from formal social housing because of shortage of supply.
- The Healthy Housing Centre for Research Excellence are tackling these questions: <https://www.healthyhousing-cre.org/>

Morgan Lee Cataldo - Senior Manager, Youth Engagement, Berry Street

- **Burning question: How can you partner with people with lived experience in the work you do?**
- Mental health is really leading the way with consumer lead design and research
- Links to further information
- Sax Institute - <https://www.saxinstitute.org.au/>
- On community power - <https://www.newlocal.org.uk/publications/community-power-the-evidence/>
- Y-Change - young people are consultants at Berry Street, getting paid to do that work
- There is a role for system navigators within Government - to incorporate lived experience
- how do we afford the mistakes of the past? Missing research of lived experience of homelessness
- Maximise existing established organisations to hear about the lived experience. e.g., Launch Housing, Homelessness associations,
- Find a mechanism to incorporate the lived experience into the process and give agency throughout the process so it's not a token step in the process.
- We're missing a national advocate for the homeless since the Homeless Council was defunded.
- There are opportunities for people with lived experience to present at council meetings, to be involved in explaining problems and solutions.

Robert Pradolin - Founder and Director, Housing All Australians (HAA)

- **Burning question/ provocation: We need to 1) communicate the cost of NOT doing anything about affordable housing as it is a ticking intergenerational time bomb and 2) we need the private sector to respond to this problem because we can't rely on government**
- We need a real housing continuum that includes cooperative (not community) housing that is socio-economically diverse - not just the welfare (public/social/community) v private / speculative duopoly
- Government has to top up the uneconomic component of affordable housing delivery to make it work
- Affordable Housing as infrastructure – if council provides land value at no cash cost, programs can be rolled out anywhere – inner city, peri-urban, regional
- HAA is developing a cost benefit ratio to prove housing is a good investment
- Government will never innovate; it is about private sector leading this. HAA believes that we need to circumvent state government and work with LGA's and private sector to create change.
- Housing for all Australians rich or poor is an economic platform - without shelter, how do you contribute to society?
- We need a 40-year strategy for social and affordable housing.
- If we can provide a cost benefit ratio then social ventures could do social impact bonds to fund housing

Key Themes and Burning Issues

Below are some of the key questions and themes raised by attendees at the 'Burning Questions' event. Participants identified these topics as relevant to the next round of research.

1) Changing public perceptions about social and affordable housing

- a. How can communities, governments and organisations address the stigmatisation of social housing tenants and social housing built form?
- b. What design, service and tenure mix outcomes represent the best outcomes for residents, providers, investors and surrounding communities? How can we capture lessons from these projects?

2) Encouraging systemic responses to social and affordable housing

- a. What is the quantifiable impact of delivering social and affordable housing, considering the cost savings in health, justice and education derived from access to secure housing
- b. What market outcomes would arise from addressing a variety of market and taxation settings such as removing or reducing Negative Gearing, reducing Capital Gains Tax Concessions, changing the treatment of the primary residence in pension eligibility calculations or adding additional taxes to second homes?

3) Creating systems for private-sector investment and involvement in affordable and social housing delivery

- a. What funding, governance and tenure models would best allow for superannuation investment in social and affordable housing?
- b. How can government de-risk social and affordable housing for private sector finance?
- c. 'What works' in affordable and social housing delivery in Australia, in terms of design, tenure mix, funding model and marketing?
- d. What policy and taxation settings will maximise the affordability and feasibility of the growing Build-to-Rent sector?

4) Maximizing the social value and quality of housing development

- a. How can we best educate consumers about the health impacts of housing and empower them to demand and expect better-quality housing?
- b. What are the health impacts of poor-quality housing and how is this impact distributed across the population?
- c. How can government embed a consideration of the long-term costs of poor housing in procurement and design decisions?
- d. How can communities be designed to be 'tenure blind' and deliver shared spaces that encourage interaction and the creation of social capital?

5) Re-considering the range of housing options

- a. What opportunities are there for expanding non-speculative housing options?
- b. How do we encourage non-profit and community-lead housing options?

6) Peri-urban and growth areas

- a. Can we densify peri-urban areas to increase housing affordability and diversity?
- b. What mechanisms are the most effective for delivering social and affordable housing in regional areas?
- c. How can we ensure that regional and rural areas have diversified job markets to support employment opportunities for residents?

7) Affordable housing construction

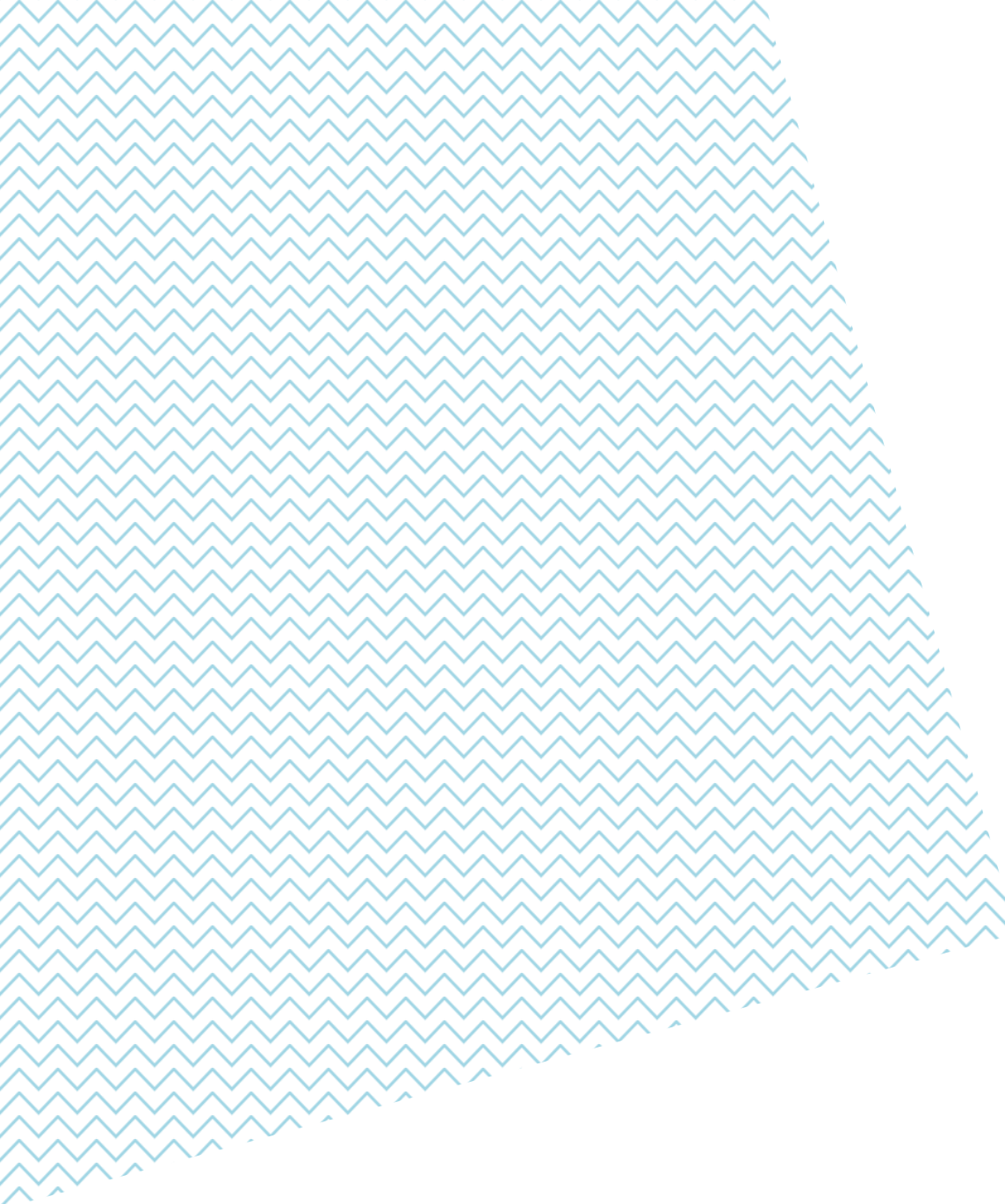
- a. How do we reduce the cost of construction?

8) Supporting 'right-sizing' and age-appropriate housing options for older people living in affordable and social housing

- a. How are communities in regional areas (such as Echuca) addressing this issue?
- b. Could and should older residents who are currently 'under-utilising' larger social housing homes be encouraged to downsize? What housing models would best suit their needs?

9) The role of Local Government

- a. How can local government maximise their involvement in social and affordable housing provision?
- b. What processes and mechanisms best support community feedback and engagement in relation to affordable housing decisions?
- c. How can local governments ensure that new housing delivery is supported by sufficient social infrastructure to maintain suburb amenity? How can increased density be best managed?



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