



Town Planning	M 0418 238 786 (Nilmini)
Local Infrastructure Planning	M 0418 119 950 (Steven)
Flood Risk Management	E mail@polisplan.com.au
Eco-Villages & Eco-Tourism	W www.polisplan.com.au
Circular Economy Innovation Hubs	ABN 6857 4417 862

8 February 2019

The General Manager
Hornsby Shire Council
PO Box 37
HORNSBY NSW 1630
by email: affordablehousing@hornsby.nsw.gov.au

SUBJECT: Submission to Affordable Housing Discussion Paper

Thank you for the opportunity to make a submission in respect of your Affordable Housing discussion paper. We are very supportive of Council's proposal to address this significant issue and offer our suggestions as to how Council's planning policies may facilitate the delivery of more affordable housing.

What we mean by affordability

Our starting point is to broaden the question of affordability. From the discussion paper the "term affordable housing refers to housing that is within a household's **means to pay** and appropriate to their needs in terms of **size, form and location.**"

It is neither meaningful nor useful to ask whether housing is within a household's '**means to pay**' without considering the broader context of the cost of living. Accordingly, the proximity and accessibility of work opportunities affects household's transport costs. The principal purpose of work is to pay not just for housing but also for food and electricity. As these costs escalate, housing becomes less affordable for reasons totally unrelated to the housing market. With the increasing uncertainty surrounding the future of work, with technology and automation making many current jobs redundant, cost of living pressures may reach crisis levels.

This inter-relationship of housing with work, as well as with food, energy and transport costs suggests a more systemic approach to the issue is required. Whilst these represent much broader social and political debates that Council may argue are beyond their responsibility, this submission will outline how local authorities can make a significant contribution to addressing these systemic issues through their planning policies.

Housing appropriate to a household's needs

With respect to the provision of 'appropriate' housing, we have already mentioned the importance of **location** in terms of proximity to work opportunities. The **size and form** of the housing is also an important consideration. Since the 1970's the average number of occupants per household has fallen from 3.5 to about 2.7. This has been due to a number of factors, the end result of which is that single and two-person households are the fastest growing household sizes. This, in turn, has resulted in a significant misalignment between household sizes and the types of dwellings that are available as illustrated in **Figures 1 and 2** below.

Figure 1. Occupants per occupied dwellings in NSW (ABS Census 2016, table G31)

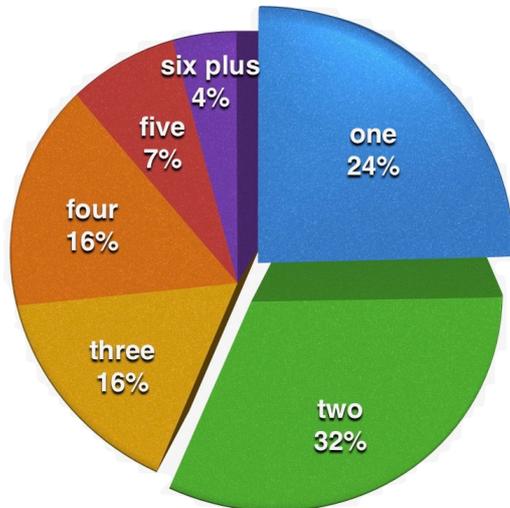
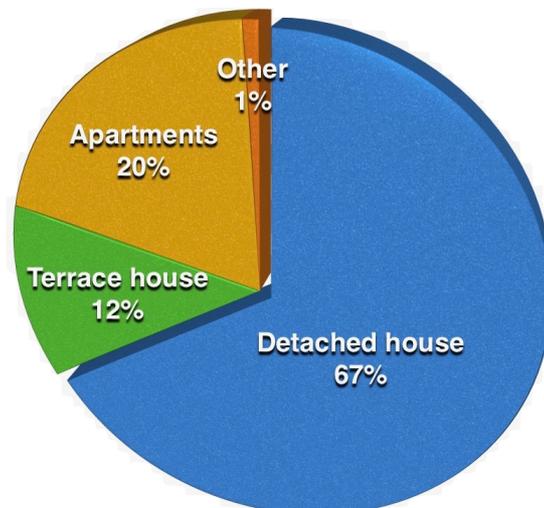


Figure 2. Dwelling Structure in NSW of occupied dwellings (ABS Census 2016, table G32)



In order to address this misalignment, it is necessary to substantially increase the supply (across NSW) of dwellings that are of a size and form that is suitable for one and two person households. This supply should be provided at all housing price points as this would free up the available detached housing for families that need this dwelling type.

Fortunately, there is growing interest in the development industry to deliver **co-living** rental accommodation.

<https://www.commercialrealestate.com.au/news/first-australian-co-living-properties-set-to-open-in-sydney/>

<https://www.ofx.com/en-au/blog/coliving-redefining-home/>

Co-living is a development model that incorporates a range of shared spaces, activities and facilities with smaller private spaces. It is a form of 'build-to-rent' in which the property is retained in single ownership and managed by the developer or an operator. Co-living can perhaps be imagined as up-market boarding houses and are generally approved under the boarding house provisions of the State Environmental Planning Policy (Affordable Rental Housing) 2009.

The most successful models of co-living also include co-working spaces and target digital nomads. Yet, providing co-working spaces with all future co-living developments would not only reduce transport costs for residents of the developments themselves but may also start to reduce the 73 percent of Hornsby residents that work outside the LGA thus improving the local economy.

It should be noted that although this is a relatively new development approach in Australia, there are successful models operating in the US and UK since about 2010, with the fastest uptake in China and India.

Taking a systems approach, Council might require the installation of renewable energy generation on co-living developments as a way of keeping ongoing costs for residents low over time.

Recommendation 1. Promote, support and encourage co-living developments in the Hornsby Shire. Offset development contributions if co-working spaces and renewable energy of a compatible scale are provided on site.

Recommendation 2. Identify locations for a network of co-working hubs around the Hornsby Shire to reduce the transport costs for Hornsby residents, keep residents working locally and attract workers from surrounding areas to support the local economy.

Systems Thinking

By encouraging the integration of co-living and co-working spaces, town planning starts to shift away from the separation of land uses that arose from the industrial era need to separate polluting factories from homes. A substantial proportion of economic activity in Australia is service based and the approach to planning should reflect this.

The systems-thinking approach can be taken to its natural conclusion whereby development in the rural areas integrates a renewable energy micro-grid with a water micro-grid, which irrigates a local food system, all designed around a co-living and co-working campus. Such an approach would address a range of social, environmental and economic issues.

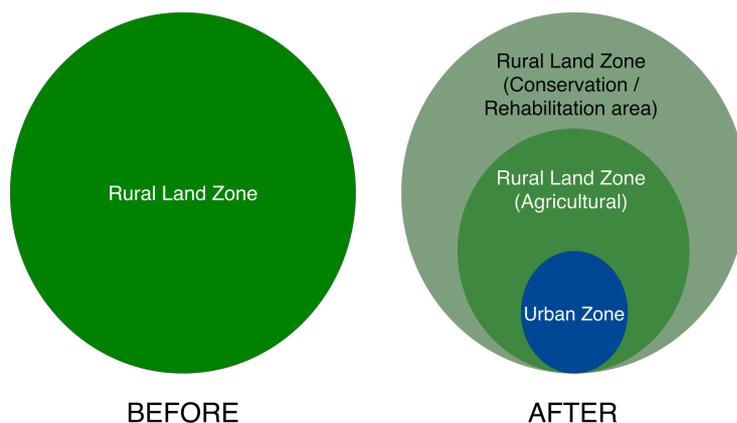
The integration of food and water systems in particular, allows for the creation of a range of local work opportunities while also providing for a reconnection to natural systems. This advances a number of important themes that are emerging in the development industry including the concepts of **regenerative development** and **biophilic design**.

<https://renew.org.au/sanctuary-magazine/sustainable-design/natural-connectors-biophilic-design-takes-root/>

A review of literature¹ into the relationship between **public health and the built environment** identified three main themes: getting people active, connecting and strengthening communities and providing healthy food options. The proposed development form promotes all of these themes.

Such a project will further improve housing affordability by purchasing rural land and rezoning a portion for the co-living and co-working spaces, capturing the land value uplift as illustrated in **Figure 3**.

Figure 3: Proposed land rezoning. Approximately 10%-15% of site area to be rezoned for urban uses.



Moving forward

We note Council's proposal on page 29 to simply rezone more land for multi-unit housing. **We strongly object to any process of rezoning land or identifying land to be rezoned that simply provides a windfall profit to the current land-owners.** The process must be carried out strategically with any land identified for rezoning to have an encumbrance of some form that requires the delivery of public infrastructure or affordable housing or both. Simply rezoning the land and then hoping that the subsequent regulatory processes will deliver choice and affordability has

¹ Kent J; Thompson S.M. and Jalaludin B. (2011) *Healthy Built Environments: A review of the literature*, Sydney: Healthy Built Environments Program, City Futures Research Centre, UNSW. ISBN: 978-0-7334-3046-6

been proven inadequate time and again. Council must develop a structured and strategic process whereby land that benefits from value uplift has imposed equivalent obligations that benefit the community.

With respect to housing choice, integrated co-living and co-working hubs would offer much needed choice. If these were to be further integrated with food, water and energy systems, then a whole new paradigm for land development would become possible.

PolisPlan are working towards a pilot project of this nature, which is described in more detail at: <http://beautilitydevelopments.com.au>

We have put together a team of researchers from CSIRO, QUT, UniSA, Western Sydney University and the University of Queensland who will each contribute to different elements of the project. The project aims to provide affordable housing, access to work, as well as food, water and energy for up to 200 people.

We note in the discussion paper that Council could engage with a Community Housing Provider (CHP). Including a CHP in such a development would add a valuable skillset and also enable Council to access the low cost finance recently made available by the Federal Government's National Housing Finance and Investment Corporation <https://nhfc.gov.au>.

PolisPlan are currently in discussions with a number of Councils in NSW and Victoria to identify the optimal location for a pilot project. If Hornsby Council is interested in exploring how this form of development could be implemented through Council's strategic planning framework, then we would be happy to discuss it further at you convenience.

If you have any further questions or would like any additional information please do not hesitate to contact Steven Liaros or Nilmini De Silva at mail@polisplan.com.au or by phone numbers provided above.

Yours faithfully,

Steven Liaros
Director,
PolisPlan



PO Box 3396
Asquith NSW 2077