

## HOW-M Submission to the Productivity Commission

### Inquiry into Housing Supply Regulations

**This submission is in response to the question:**

*“Which specific zoning and land-use controls most limit the supply of new housing? What are the benefits to consider of specific land-use controls? How does this vary across particular Australian jurisdictions or areas?”*

The government has asked the Productivity Commission to “evaluate recent reform efforts....against features of a ‘best-practice regulatory system’”. We outline below elements we consider could form part of a best-practice regulatory system.

### About Housing Older Women Movement (HOW-M)

HOW-M is a peer-led, solutions-focused advocacy movement established in 2020 to address the growing housing insecurity experienced by women aged 55 and over. Our work is grounded in lived experience, research, and cross-sector collaboration to influence systemic change and expand access to safe, secure, and affordable housing.

### Introduction

Increasing market housing supply will not necessarily improve affordability, particularly for older women, who are the fastest growing cohort at risk of homelessness. We urge the Productivity Commission to consider how planning controls and incentives can enhance the role of non-market housing, including community-led models, in contributing to an increased supply of affordable housing.

We believe that Australia is missing a key opportunity to deliver small-scale community-led housing as an affordable option for low- and medium-density infill development, a key component of local and regional plans. For example, the SEQ Regional Plan 2023 aims to maintain a 60/40 consolidation/expansion dwelling growth ratio across the region while moving towards a dwelling growth ratio of 70/30 consolidation/expansion.<sup>1</sup>

### Increasing supply does not, by itself, increase housing affordability

Research by AHURI and others has demonstrated that increasing housing supply does not necessarily improve housing affordability, especially for low and moderate income households, which make up just under half of households nationwide.<sup>2</sup> As the National Housing Supply and Affordability Council has stated, it is unlikely the market alone can supply housing at rents or prices that are affordable, and therefore increasing the stock of non-market housing is essential.<sup>3</sup>

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<sup>1</sup>[https://www.planning.qld.gov.au/\\_data/assets/pdf\\_file/0024/86145/shapingseq-2023-Low.pdf](https://www.planning.qld.gov.au/_data/assets/pdf_file/0024/86145/shapingseq-2023-Low.pdf)

<sup>2</sup><https://www.ahuri.edu.au/analysis/brief/does-building-more-houses-fix-affordability-low-income-households> <https://www.sydney.edu.au/news-opinion/news/2023/06/01/why-building-more-will-not-make-houses-affordable.html>

<sup>3</sup><https://nhsac.gov.au/reports-and-submissions/state-housing-system-2026>

A key benefit of community-led housing is that it offers long term security of tenure and affordability in perpetuity.<sup>4</sup>

## Market housing is not meeting the needs of older women

Housing is not just unaffordable to younger people, but it is becoming increasingly unaffordable to older women, who are the fastest growing demographic cohort at risk of homelessness.<sup>5</sup> It is estimated that around 405,000 are at risk of homelessness<sup>6</sup> and a significant proportion of those form the ‘missing middle’ – those neither poor enough to qualify for housing assistance nor wealthy enough to secure market housing (either as mortgagors or renters) as they age.<sup>7</sup> The gender inequality embedded within our current housing market has whole-of-society impacts upon economic productivity, including downstream increases to public health and welfare expenditure.<sup>8</sup> Community-led housing, including co-operative, community land trust and cohousing models, offers an affordable and flexible alternative to groups priced out of the speculative housing market; although in some states these models are excluded from social and community housing options.

Older women have specific housing needs, other than affordability, that are not catered for in the market housing system; and this is something that increased supply alone will not address. These include ‘connection’ as well as ‘independence’.<sup>9</sup> Community-based housing initiatives “promote ageing in place by providing independent shelter, care and support and by creating social connections.”<sup>10</sup> Key recommendations from the HOW-M-sponsored “My Home Your Home Our Homes” Project Phase 1 report included simplifying planning and removing regulatory barriers to the provision of community-led housing such as co-ops and community land trusts.<sup>11</sup>

## Community-led housing is a cost-efficient non-market model

Non-profit community-led housing is a cost-efficient, and therefore more affordable, form of housing, due to shared resources, reasonable reliance on government funding, and elimination of developer profit. For example, Property Collectives Australia, which acts as enabler for community-led housing development, targets savings of around 15% of the price of a new home. Nightingale Housing reduces construction and maintenance costs (and thereby increases private living space) through provision of shared laundries. Grounded Community Land Trust Advocacy has found that CLTs can reduce housing costs by up to 39% compared to market purchases over time and that a 20-home CLT project could generate an annual economic dividend of \$308,000 for local communities, contributing \$9.24 million over 30 years in local economic activity.<sup>12</sup>

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<sup>4</sup><https://static1.squarespace.com/static/65d5231ad48cbd317e13b59f/t/65ff4d651849862768fda4e2/1711230326039/10.+ACLTN+Housing+and+Homelessness+Plan+Submission+Oct+2023.pdf>

<sup>5</sup><https://humanrights.gov.au/resource-hub/human-rights/older-womens-risk-homelessness-background-paper-2019>

<sup>6</sup><https://www.older tenants.org.au/publications/at-risk-405000-older-women-risk-homelessness-without-urgent-policy-reform>

<sup>7</sup>[https://www.older tenants.org.au/sites/default/files/not\\_poor\\_enough\\_not\\_rich\\_enough.pdf](https://www.older tenants.org.au/sites/default/files/not_poor_enough_not_rich_enough.pdf)

<sup>8</sup>[https://homelessnessnsw.org.au/wp-content/uploads/2021/10/EE\\_Women\\_Social-Housing\\_SINGLES\\_WEB.pdf](https://homelessnessnsw.org.au/wp-content/uploads/2021/10/EE_Women_Social-Housing_SINGLES_WEB.pdf)

<sup>9</sup><https://citiespeoplelove.co/article/the-importance-of-lived-experience-in-designing-housing-for-older-women>

<sup>10</sup><https://www.tandfonline.com/doi/full/10.1080/19491247.2025.2515641>

<sup>11</sup><https://housingolderwomen.org.au/my-home-your-home-our-homes-project-report-phase-1/>

<sup>12</sup><https://grounded.org.au/wp-content/uploads/2025/11/Grounded-in-Affordability-webV2.pdf>

## Community-led housing leverages resources that neither government nor the market can mobilise

A distinctive and under recognised contribution of community-led housing to overall housing supply is its capacity to mobilise resources — land, expertise, finance, labour and social capital — that lie outside the reach of both government programs and private developers. This leveraging function means that community-led housing does not simply absorb public investment: it generates housing supply from inputs that would otherwise remain unused, making it genuinely *additional* to what either the market or the state can deliver alone.

Community-led housing draws on forms of non-market investment that are particular to community actors. Future residents contribute to site identification, design and development management, reducing professional fees and ensuring homes are fit for purpose. Members of community groups bring specialist expertise in planning, law, construction, finance and social support that they contribute without charge, motivated by community benefit rather than financial return. Land is in some cases offered, gifted or sold at below-market rates by landowners who wish to support long-term community benefit — a transaction that private developers cannot replicate because they cannot offer the same non-financial return to the landholder. Shared equity arrangements within community housing groups enable households to pool resources and collectively access finance on terms unavailable to individual low-income purchasers. These contributions collectively constitute a form of community investment that is invisible in conventional housing supply accounting but is real and significant in its effect.

International and domestic evidence supports the proposition that community-led housing generates meaningful housing supply additionality. Research on community land trusts has established that they leverage one-time public investments for long-term gains in affordable housing,<sup>13</sup> effectively recycling initial subsidies across successive generations of residents and creating a permanently growing stock of affordable housing — rather than requiring repeated reinvestment as affordability restrictions expire. In the United Kingdom, research cited in planning policy guidance has found that public support for community-led housing delivers medium to high value for money via additionality, affordability and wellbeing.<sup>14</sup> The London Plan specifically recognises that community-led housing can make a significant and distinctive contribution to increasing the supply of genuinely affordable housing, with added social benefits, in ways that mainstream housing delivery cannot replicate.<sup>15</sup> In Australia, community housing investment has been found to generate between \$6.60 and \$9.80 of social and economic value for every dollar invested<sup>16</sup> — a return that reflects the community sector's unique capacity to mobilise non-financial inputs alongside public funds.

Peer-reviewed literature on community-led housing confirms that these models draw on mechanisms unavailable to commercial developers: self-help approaches may reduce the costs of external builders and contractors, and co-operatives or CLTs may cross-subsidise, acquire grants, or

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<sup>13</sup>National League of Cities / Grounded Solutions Network, *Community Land Trusts: A Guide for Local Governments* (2021): <https://www.nlc.org/resource/community-land-trusts-a-guide-for-local-governments/>

<sup>14</sup>Harris et al., 'Housing for People, Not for Profit: Models of Community-Led Housing,' *Planning Theory & Practice* (2022), citing Colquhoun (2020): <https://www.tandfonline.com/doi/full/10.1080/14649357.2022.2057784>

<sup>15</sup>Greater London Authority, *Community Led Housing London*: <https://www.london.gov.uk/sites/default/files/Community%20Led%20Housing%20London%20%282818%29.pdf>

<sup>16</sup>Community Housing Limited, *Social Return on Investment (SROI) Report*: <https://chl.org.au/blog/the-social-return-on-investment-sroi-report/>

partner with housing associations or local authorities, making the initial build process more affordable.<sup>17</sup> Community-led housing also attracts philanthropic, impact investment and mutual finance that private development cannot access, because community housing organisations can offer investors a social rather than speculative return. The Austrian limited-profit housing model — in which housing associations mobilise private capital through Housing Construction Convertible Bonds at below-market interest rates, leveraged against government concessional loan support — demonstrates the scale of private finance that non-market housing organisations can attract when the regulatory environment enables them to do so.<sup>18</sup>

The nature of investment in community-led housing is therefore qualitatively different from both government-funded social housing and market-rate private development. It is non-speculative: participants invest to secure housing outcomes for themselves and their community, not financial returns. This means that community-led housing will not, by definition, exit the affordable pool when market conditions change or when development finance must be repaid. The Social Return on Investment (SROI) methodology, which is well-established in the affordable housing literature, provides a framework for quantifying these broader contributions — including volunteer time, community expertise and avoided downstream costs in health and welfare — as part of the total value generated by non-market housing investment.<sup>19</sup> It is this combination of resource mobilisation and non-market purpose that makes community-led housing a genuine and distinctive contributor to sustainable housing supply rather than simply a redistribution of existing public subsidy.

We submit that the Productivity Commission’s evaluation of best-practice regulatory frameworks should assess the extent to which current planning and regulatory settings enable or inhibit the resource-mobilising capacity of community-led housing. Regulatory reforms — including streamlined planning pathways and access to the Housing Australia Future Fund (HAFF) for community-led housing organisations — would allow this leveraging function to be realised at greater scale across Australia. We further recommend that equivalent SROI analysis of smaller-scale community-led models — cooperatives, CLTs and cohousing — be commissioned in Australia as a research priority, to build the evidence base needed to inform future policy investment.

## **Community-led housing lends itself to infill development – a key component of anticipated housing delivery in local and regional plans**

Density can be increased horizontally, not just vertically: the small-scale nature of community-led housing (including cohousing) lends itself to infill development and ageing in place, particularly in lower density ‘character’ neighbourhoods. In SE Queensland it is proposed that 630,000 of the planned 900,000 new homes to 2046 would be delivered through infill development. Even if community-led housing represented only 2% of this proportion, it would result in more than 12,000 permanently affordable new homes over the next 20 years, specifically designed to meet the needs of residents. Initiatives such as the Plan SA Co-Located Housing Overlay and the recognition of cohousing as a distinct type of housing within the ACT Territory Plan are steps in the right direction. We believe that planning reforms are required to enable community-led housing delivery across Australia as a valuable component of national housing and planning strategy. The Planning Institute

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<sup>17</sup>MyClymont et al., ‘Community led housing, health and wellbeing: a comprehensive literature review,’ *International Journal of Housing Policy* (2023):

<https://www.tandfonline.com/doi/full/10.1080/19491247.2023.2232200>

<sup>18</sup>Cooperative Housing International, Austria model overview:

<https://www.housinginternational.coop/co-ops/australia/>

<sup>19</sup>CMHC, *Measures for Calculating Social Return on Investment for Affordable Housing*:

[https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research\\_2/measures\\_for\\_calculating\\_sroi .pdf](https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_2/measures_for_calculating_sroi .pdf)

of Australia acknowledges the importance of diverse housing types.<sup>20</sup> The Australian Institute of Architects actively supports community-centred development.<sup>21</sup>

Community-led housing also offers an affordable inter-generational housing alternative, across a range of tenures; examples include the Stellulata cohousing development in Canberra, the Murundaka cohousing community in Victoria and Pinakarri in Western Australia. The Stelluata cohousing development is cited as a good practice example in a report prepared for Moreton City Council on infill development.<sup>22</sup>

## Planning and regulatory barriers to community-led housing

Planning frameworks do not recognise alternative non-market models of housing, which often include a combination of autonomous dwelling units with shared facilities. A recent example is that of the Sharing With Friends Foundation, whose cohousing scheme for five older women residents could only be considered as accepted development if it was classified as a rooming house, despite the fact that the model offers a genuine mix of private and shared living, and long term security of tenure – something rooming house accommodation does not offer.

Planning frameworks across Australian states and territories are inconsistent in their regulation of community-led housing. In many instances, there is no land-use which is fit-for-purpose for proponents to make an application for, which leads to complications in determining building classification at building approval stage. A significant extent of residential land in Australian cities is constrained by regulation limiting development to detached houses.<sup>23</sup> As a result of this regulation, applications for attached or semi-attached housing forms, such as small-scale community-led housing models, may be subject to public notification and submitter appeal rights.

A recent study found that Queensland's planning system stifles diversity, where flexible approval pathways currently favour large developers over the smaller actors crucial to the delivery of infill development.<sup>24</sup> A key reform would be to shift cohousing, community land trusts and ecovillages from impact assessable to code assessable or, in certain urban neighbourhoods, accepted development. Architect Philip Daffara recommended a model code for cohousing and ecovillages.<sup>25</sup> HOW-M recently made a submission to Brisbane City Council regarding proposed changes to low-medium density residential design provisions in the Brisbane Plan. Here is a link to the [HOW M submission](#) to Brisbane City Council Plan supporting Sharing with Friends submission.<sup>26</sup>

Chair of the National Housing Supply and Affordability Council, Susan Lloyd-Hurwitz, has advocated for a firm target of 6% for social and affordable housing as a proportion of total stock.<sup>27</sup> Inclusionary zoning would be a critical element in delivering that target.

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<sup>20</sup><https://www.planning.org.au/common/Uploaded%20files/PIA/Policy/Housing/Planning-for-the-housing-we-need.pdf>

<sup>21</sup><https://www.architecture.com.au/archives/reading-architecture/making-space-for-community>

<sup>22</sup><https://www.moretonbay.qld.gov.au/files/assets/public/v/1/services/building-development/ihep-recommendations-report.pdf>

<sup>23</sup><https://grattan.edu.au/news/planning-better-cities/>

<sup>24</sup><https://www.sciencedirect.com/science/article/pii/S0264275125003956>

<sup>25</sup><https://www.placesense.com.au/draft-model-code---cohousing--ecovillages.html>

<sup>26</sup><https://acrobat.adobe.com/id/urn:aaid:sc:AP:a33c2554-3aaa-46f6-afae-11535080fad2>

<sup>27</sup><https://www.propertycouncil.com.au/property-australia/the-barriers-to-housing-supply-according-to-susan-lloyd-hurwitz>

## Conclusion and recommendation

Increasing the supply of market housing will not help the nearly half a million older women in Australia who are at risk of homelessness. Community-led housing is a cost-effective solution that gives residents agency over their housing, thereby increasing health and wellbeing. It is well suited to infill development.

Community-led housing also represents a distinct mechanism for generating housing supply by mobilising resources — land, expertise, volunteer labour, shared equity and non-market finance — that neither government nor the private sector can access or leverage on equivalent terms. Planning and regulatory reform that enables community-led housing to operate at greater scale would therefore expand the total supply of affordable housing, not merely redistribute existing public subsidy.

There are a number of planning and regulatory barriers to the provision of more diverse and affordable housing options for older women, particularly community-led housing. We request that the Inquiry includes an examination of planning barriers across each state legislative framework, opportunities for regulatory reform and opportunities for government funding programs (such as the HAFF) to contribute to the delivery of community-led housing.

## Further Information

### Contacts

- Housing Older Women Movement Core Group | Email [info@housingolderwomen.org.au](mailto:info@housingolderwomen.org.au)