

15 June 2020

Housing Supply Regulation Inquiry
Productivity Commission
Australian Government
Canberra City 2601

Dear Inquiry Members,

Submission to *Australian Government Productivity Commission Housing Supply Regulation Inquiry*

Diversification of Australian housing supply is an urgent social, economic and sustainability priority. Diverse supply can create new pathways, optimise existing supply pathways, and potentially facilitate a more optimal matching of new and current supply with the diverse housing aspirations and needs of contemporary Australia. This includes supply at middle income and wealth bands and for those households and communities living with lower income and wealth and requiring supported housing options.

I am writing as project leader of a national research project currently in final stages of completion, in which myself and a multi-university team of experts have examined the capacity of collaborative homeownership to deliver new supply, including affordable housing supply and mixed tenure forms of collaborative housing supply. The project is unique in that it first maps existing initiatives, and then explores barriers for growth and the impact of these on communities and group attempting to supply collaborative ownership models of housing, and identify enabling factors for scale and growth of a diverse collaborative homeownership sector in Australia. We examine how international insights can appropriately inform policy transfer to Australia and the role of innovation and intermediaries in establishing a growth pathway for collaborative homeownership housing supply options in Australian cities and regions.

The project has insights for the first and third questions the Inquiry is concerned with, including approval processes and processes and frameworks to deliver new and utilise existing housing infrastructure more effectively, however has some insights for the second point also (availability of land):

1. **Approval processes** (for example, development, building and post-approvals, including any barriers to the uptake of more productive methods of construction).
2. **Availability and use of land for housing** (for example, land release, land-use controls).
3. **Processes and frameworks to deliver new and utilise existing housing infrastructure** (for example, growth infrastructure planning, developer contributions model).

As the AHURI-funded research is currently near completion it is not possible to include findings which are embargoed. However, we would like to make ourselves known to the Inquiry members and indicate the significance of the project for the Inquiry focus. We are available for appearance at any hearings of the committee or for private meetings about the forthcoming findings of this research.

About the research:

Title: *Collaborative homeownership in Australia: benefits, barriers and growth opportunities*

This research identifies how collaborative homeownership can be integrated into Australian housing and housing assistance policy. It maps and typologises established/ emergent Australian collaborative homeownership models; examines community motivations and resident outcomes; identifies financial, governance and regulatory requirements and barriers; and draws lessons from international cases to inform Australian policy.

Executive Summary International experience highlights the significant potential of community-led housing models in delivering a range of outcomes for residents and communities, whether owners or renters, including stronger social and community ties, housing stability and quality, and health benefits (Crabtree et al 2019). Within the community-led housing sector, *collaborative homeownership* (CHO) models can deliver affordable, sustainable homeownership and housing system stability (Droste 2015). CHO models are distinct from individual/private homeownership, strata title, or most forms of shared equity, and are typically underpinned by community-based development as well as shared ownership and/or management (Czischke et al 2020). Globally, a range of CHO models are well-established, including full-equity, limited-equity, and staged-equity types. CHO models can vary in the extent to which residents plan, design, and develop housing together, and in key attributes such as scale, density, shared spaces/facilities, location, target populations, and governance structures. A suite of financing and regulatory factors, as well as housing policy settings, underpin the success and scale of established CHO models and the benefits they achieve (Lang & Stoeger 2018). Internationally, innovation and diversification of CHO and mixed-tenure models is growing in response to housing affordability pressures.

Yet, in Australia, established *and* emerging models of collaborative housing – including CHO – remain small-scale, niche, and poorly understood as mainstream housing options or affordability solutions. Australian models include co-operatives, community land trusts, and ‘deliberative’ developments, among others, with most if not all of these initiated by groups of like-minded individuals. In trying to realise joint housing projects, they can face considerable regulatory, financial, and other barriers, resulting in many initiatives being abandoned. Mounting affordability pressures in traditional homeownership markets affecting low-moderate income households indicate there is critical need to examine the potential for CHO to form part of mainstream housing and housing assistance solutions. Limited evidence exists regarding *how* this can be achieved, *who* could benefit, nor how *barriers* to development of CHO in Australia can be addressed – and *growth potential* and benefits realised. This project addresses this critical knowledge gap, via four integrated research questions:

RQ1. What models of collaborative homeownership are present and/or emerging in Australia?

RQ2. What can be learned from international models of collaborative homeownership to address existing barriers in Australia and realise growth potential?

RQ3. What is the community appetite for collaborative homeownership, and what are resident motivations, experiences and outcomes?

RQ4. What are the barriers, potential benefits, and growth opportunities for collaborative homeownership in Australia, and which policy levers could support their advancement?

The mixed methods study comprises: comprehensive Australian mapping of established/emerging models of CHO including detailed stake-holder informed case study examination of exemplars; analysis of community motivations and resident experiences and outcomes; and identification of suitable policy levers to support the development of CHO in Australia, informed by international review. The project directly informs policy development by identifying practicable financing, regulatory and policy reforms and innovations to support growth of CHO models in Australia, including for low-moderate income households.

We believe the research will provide important insights of direct relevance to the current Productivity Commission Inquiry.

We look forward to the opportunity to contribute findings to the Inquiry and reiterate our availability to support the work of the Inquiry.

Warm regards,

Wendy Stone
Professor of Housing and Social Policy
Swinburne University of Technology

On behalf of the project team:

Professor Wendy Stone Swinburne University of Technology
Dr Jasmine Palmer RMIT University
Professor Louise Crabtree-Hayes Western Sydney University
A/Professor Andrea Sharam RMIT University
Professor Stefanie Dühr Adelaide University
Dr Braam Lowies Adelaide University
Professor Karien Dekker RMIT University
Dr Nestor Guity Zapata Swinburne University of Technology
Dr Piret Veeroja Swinburne University of Technology



HHAUS |
HOUSING, HOMELESSNESS
& URBAN STUDIES RESEARCH GROUP