

“Better Apartments”

A Submission from the Community Housing Federation of Victoria

The Community Housing Federation of Victoria (CHFV) welcomes the opportunity to make a submission on the *Better Apartments Discussion Paper*.

Who we are

CHFV is the peak housing body that represents the not-for-profit community housing sector in Victoria. CHFV’s member organisations are committed to providing secure, affordable, long term housing for people on low to middle incomes. Members include the registered housing associations and providers plus other organisations and individuals interested in housing. The registered sector owns housing properties and/or manages over 19,200 properties.

The community housing sector is a component of Victoria’s Social Housing system, working in partnership with Public Housing, that is owned and managed by the Director of Housing (DoH) through the Department of Health and Human Services. Community Housing Organisations (CHOs) provide rental accommodation to some of the lowest income people in the state, with rents significantly lower than the market rent, usually based on 25 to 30 per cent of a household income. Applicants must meet specific eligibility criteria.

Our members also offer what is often referred to as “affordable housing” – this is secure rental housing for low income households and key workers. This is usually at a lower level of rental subsidy in comparison to traditional social housing but provides housing assistance and security of tenure to low income households struggling an increasingly challenging private rental market.

Most (but not all) CHOs in Victoria are registered under an opt-in regulatory scheme established under the *Housing Act 1983 (Vic)*. Registration is usually a pre-requisite for government financial support, such as capital grants and management contracts.

Community housing is a diverse and responsive sector, each organisation has its own niche and purpose. There are specialist operators in the area of aged, disability, women’s, youth, aboriginal, rural and regional, emergency and long-term low-income housing. This diversity has led to creativity and innovation. As small to medium sized businesses, operating with no recurrent or operational funding for long-term housing, our members have shown that they can do more with less.

Context

For many Victorians on fixed or low incomes, the prospect of buying a house is almost unimaginable.

In Victoria, the income to house price ratio is one of the worst in the country. Recent data from the Demographia International Housing Affordability Survey shows that the cost of an average home is

almost 8 to 9 times the average annual income. The affordable range is generally considered as ideally being under 4 times the average income or less. The same survey showed that this problem exists in key regional centres, which also illustrates a market unable to provide options for fixed and low income Victorians. Even where low-cost private rental properties exist, they may not be occupied by the people who most need them.

Victoria also has the lowest supply of social housing supply of any state, sitting at 3.4 per cent compared to the national average of 5 per cent. As numbers of public housing continue to decline the demand for social housing is set to increase by 38 per cent in Melbourne, and 26 per cent for the rest of the Victoria by 2024, the demand for private rental is estimated to increase by 27% and 15 % respectively. We believe that social housing in Victoria should increase to the national average by 2030. That would require an increase from current levels of approximately 85,000 to 170,000 by the 2030 target year.

CHFV believes that the State Government and Local Municipalities have an obligation to ensure the planning scheme and associated planning processes allow for the rapid delivery of affordable and diverse housing options for the low income Victorians. We also believe that good-quality low-cost apartments can contribute to the supply of affordable housing options for low income people in this state.

The key issues raised in our response seek to address elements of the discussion paper with particular regard to what we see as the key consideration of balancing the need for quality amenity and not creating a prescriptive system that reduces housing affordability.

The most critical matters identified by CHFV are that the proposed standards should:

- Provide for minimum design standards that facilitate the delivery of quality affordable housing options for low income people, and
- Standards must be in place to ensure an appropriate supply of dwellings in a community.

Our members have found that well designed apartment building developments can make a significant contribution to the creation of sustainable, liveable and resilient communities through the provision of additional housing stock that meets the needs of our tenants and the broader community. These developments can contribute to social housing supply, and when managed by CHOs, private owner occupiers, private tenants and social housing tenants can live in positive and successful communities.

This is particularly important when considering the role and opportunity for CHOs to redevelop medium and large Public Housing estates in the inner and middle suburbs of Melbourne over the coming decades.

Implementation

CHFV supports the development of Victorian design standards that would improve the quality of apartment development in this state, particularly if these standards ensured greater affordable housing supply is delivered and that enjoyment by occupants in these new dwellings is achieved.

We are of the view that a framework is required that ensures a consistent approach to apartment design (and assessment) across all local government areas - to facilitate developments that offer affordable products to the market. This approach is preferable to the current situation where individual councils prepare locally specific measures (usually in the form of restrictive controls) to try to discourage higher density outcomes in well located areas. Many of our members feel that local councils have been in the past incapable of properly considering and facilitating affordable housing and apartment developments without succumbing to pressure from local residents.

Issues affecting amenity and affordability

New regulations that impose inappropriately high minimum standards may have an impact on housing affordability. We feel that affordability of apartments must be a top consideration when examining any proposed introduction of minimum standards. The Government should be cognisant of the fact that more regulation has the potential to make apartments less affordable for low income people. To that end, the minimum standards should be focused only on essential areas of concern - issues such as whether the dwelling is a fire risk, if excessive noise will be audible between units, or if other buildings will be constructed too close to private open spaces.

The focus of a regulatory based approach should also be focussed on what future residents can't reasonably know. Hidden costs can become debilitating in the maintenance of a property with owners' corporation fees being as much as two to three times council rates. Stronger regulation is needed in these areas to protect both owner occupiers and investors as these hidden costs contribute to excessive rent increases. There's also the need for mandated consumer information at the point of purchase.

We feel that there are a number of development outcomes identified in the *Better Apartments* paper that should be mandatory through regulation. Other issues affecting apartment amenity should be addressed as part of a performance based mechanism.

We suggest mandatory standards would help to streamline the planning assessment process. The following aspects for instance could be achieved to a satisfactory degree and still allow for affordable delivery of housing.

Space

The sense of space in apartments is contributed to by the amount of floor area, the ceiling height, and the layout of space. Larger apartments do not necessarily function better if layout is poorly designed, if a large amount of circulation space is necessary, if the spaces do not connect well, if the floor plan is deep with low levels of daylight penetration, or storage provision is inadequate. The size of an apartment can impact on a resident's quality of life, and the ability to accommodate changing circumstances, but it can also impact on housing affordability.

Buyers and renters of apartments should be able to make decisions about housing product they would like to access. They may prefer to trade-off size in favour of a location that allows them to access services, public transport and employment opportunities.

We are concerned that if the minimum standards relating size are introduced are too prescriptive, smaller apartments that are more affordable will not be able to be delivered. CHFV notes that there

is an undersupply of affordable options for singles, one bedroom apartments and bed-sits are a required option for this cohort.

In response to the key questions in the discussion paper:

- Minimum apartment sizes should only be introduced if this regulatory tool does not have a demonstrable impact on housing affordability.
- Minimum ceiling heights should be mandated at approximately 2.7m for habitable rooms, assisting perceptions of space, for more daylight and outlook, accommodating ceiling fans, as well as storage at upper levels.
- Developments should be encouraged to include different types of apartments (however CHFV does not believe this should be mandated), housing diversity is important but massive undersupply of dwellings available for single people must be addressed.

Noise

Audible noise between apartments can impact adversely on quality of life and enjoyment. *Noise transfer* can occur between apartments that are not built to a high quality standard – this concern is as applicable to noise from communal spaces and facilities as well as external sources such as the street as it is from adjacent apartments.

Whilst aspects such as minimum requirements for sound insulation are covered by the *National Construction Code*, we consider that successfully addressing noise transfer issues also results from good design at the outset.

Good quality noise attenuation measures will potentially improve tenancy management in apartment buildings with a high number of residents from a high needs cohort.

In response to the key questions in the discussion paper:

- Noise transfer between apartments is an issue in apartments buildings constructed to a lower standard than our members would deem appropriate. We support the introduction of minimum standards for internal walls between apartments and common areas using appropriate materials and insulation that provides for adequate noise attenuation.

Universal design

Good amenity and the equitable access to affordable housing options is important, particularly in the context of an ageing population and the potential influx of people living with a disability entering the housing market as they are approved for NDIS, thus seeing independent living as a real option.

CHFV believes that a minimum percentage of apartments in larger developments should be designed in a way that they can be easily adapted for people who are aged or living with a disability. We would also like to see dwellings delivered with the potential for internal spaces to be easily modified for disability access. There should also be design treatments that would allow large apartments to be easily modified to provide for smaller apartments or bedsits, with locations of doors and windows appropriately located to allow for spaces to be subdivided.

In response to the key questions in the discussion paper:

- We believe a minimum percentage of apartments in larger developments should be designed for everyone regardless of age or ability.

- Aspects of universal design to consider include: location of doors, size of bedrooms and bathrooms, circulation spaces that allow for the use of mobility aids, and ensuring the elimination of steps.

Energy and Recourses Waste

We would be supportive of design guidelines that improve the environmental performance of buildings and have overall positive environmental impacts that will benefit current and future tenants, delivering housing that is affordable to run as well as affordable to own. We would hope that, well designed apartments will reduce the cost of ongoing energy consumption and building maintenance.

In response to the key questions in the discussion paper:

- We believe that affordable housing must be affordable to purchase or rent, as well as being affordable to run, therefore we feel that heating, cooling and lighting costs must be affordable for low income people.
- As much as practicable utilities should be individually metered.

Car Parking

Car parking provision impacts on the cost and feasibility of developments, as well as the site layout and landscaping. The amount of car parking provided is determined by the amount of apartments in the development, and should also be influenced by location and context. CHFV believes that well located affordable apartments should not require a mandated parking component, particularly if these apartments are being developed by CHOs.

Mandatory car parking provision should be dependent on location recognising that lesser levels of car parking provision can assist housing affordability and encourage the use of more sustainable transport options.

In response to the key questions in the discussion paper:

- We believe that if minimum standards in car parking requirements are too onerous or prescriptive, this will have a deleterious impact on the delivery of affordable apartments.
- Site context and access to public transport should permit apartments development with below standard provision of parking.
- Alternatives to car parking provision include the provision of cycle parking and providing spaces for car-share schemes.

Conclusion

It would be regrettable if the proposed new design standards produced a restrictive set of regulations that compounded the housing affordability crisis in Victoria. However we support appropriate minimum standards being entrenched in the planning scheme and building regulations that would create a new prescriptive quality standard that must be adhered to by all developers.