

# ABOUT AFFORDABLE HOUSING



This fact sheet was developed by Judith Stubbs & Associates for CHIA Vic based on CHIA NSW's *Building Community Support for Community Housing* toolkit.

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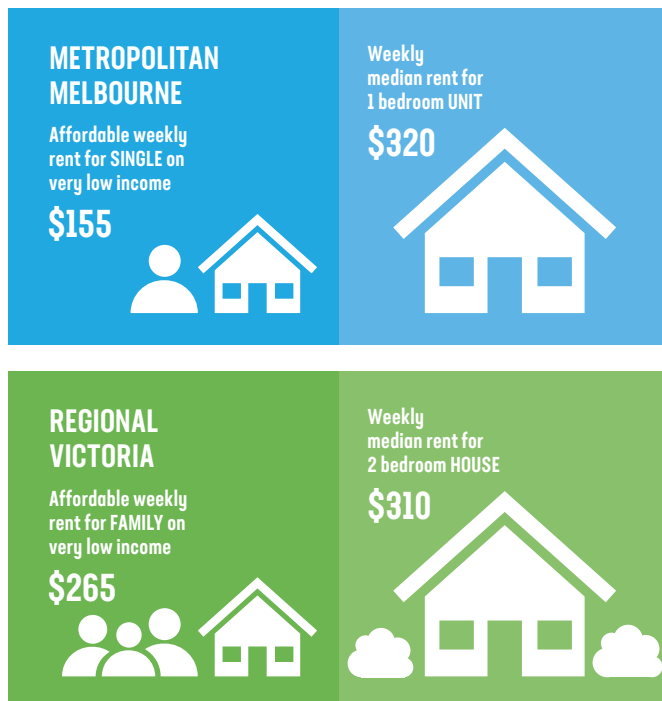
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## When is housing 'affordable'?

Housing is generally considered to be 'affordable' when very low, low and moderate income households<sup>1</sup> can pay their rent or mortgage and still have enough left over to pay for other basic needs such as food, clothing, transport, medical care and education.

Housing costs will generally be less than 30% of household income to be affordable. However for Victorians earning a very low, low, or moderate income, there are very few homes available for an affordable rent. In March 2021 only 5.9% of rental homes in Metropolitan Melbourne were considered 'affordable', and for regional Victoria 31.7% of rental homes in regional Victoria were considered 'affordable'<sup>2</sup>.



Based on DHHS Rental Report, March Quarter 2021, <<https://www.dhhs.vic.gov.au/publications/rental-report>>, and income ranges from Victorian Government Gazette, No. G26, 1 July 2021 <<http://www.gazette.vic.gov.au/gazette/Gazettes2021/GG2021G026.pdf#page=58>>.

## Why is Affordable Housing Important?

Median rents have grown at much higher rates than the cost of living and median incomes over the past two decades in Victoria.

Anyone in the community could need affordable housing. This includes a young person who wants to live near where they grew up, a recently separated person, working families with one or even two low incomes, or an older person on a reduced retirement income.

Lack of affordably priced housing not only affects the quality of life of families. The loss of young families and workers in lower paid service jobs can adversely affect local economies, and is contributing to labour shortages in Melbourne and more expensive regions in Victoria.



### Long-term St Kilda rooming house lodger, Margaret, can stay in her community...

Margaret is 65 years old. She has been living in a small, single room in a large old rooming house in St Kilda since the early-1990s, which she rarely leaves. Margaret has chronic mental illness and gets by on the Disability Support Pension. She has always been able to pay her rent. The rooming house is now being redeveloped into luxury apartments with water views. There is nowhere locally, or in wider Melbourne, where Margaret can afford to rent privately. She is on the waiting list for priority housing with the local community housing provider. In the meantime, she is trying to rent a room in another old, run down boarding house. It is possible she will end up homeless.



### Key Worker & Private Renter in Fitzroy, Carleen, without Affordable Housing...

Carleen is a 38 year old Registered Nurse at St Vincent's Hospital in Fitzroy, earning an award wage of \$1,100 per week. Her husband is unemployed and cares for their three year old daughter, making their family a low income household. Carleen is a shift worker and can't live too far from where she works. She doesn't own a car, so Fitzroy and surrounding suburbs are ideal for public transport, even when her shifts end very late. But the rent on Carleen's two-bedroom unit takes almost 60% of her income, and she has just received notice of a rent increase. With other expenses, it's been difficult to save toward a deposit to buy her own unit. Carleen is worried that if rents keep increasing, she'll have to look for a place further out, making shift work very difficult.

1. Income ranges defining very low, low and moderate income households are set annually by the Minister for Planning <<https://www.planning.vic.gov.au/policy-and-strategy/affordable-housing>>.  
2. JSA, 2020 using DHHS (2021) Affordable Lettings by local government area - March Quarter 2021, <<https://www.dhhs.vic.gov.au/publications/rental-report>>.





Ashwood Chadstone Gateway

## What are some examples of Affordable Housing?

Affordable housing includes a wide range of products such as social housing, affordable 'key worker' rental housing, and shared equity purchase products. The types of homes for affordable housing are diverse and include free standing houses, townhouses and apartments.

Community housing organisations are not-for-profit organisations who are experts on housing models that work for renters on low incomes. They build and manage long term, affordable rental housing projects, and deliver support and services to help renters.

Rooming Houses, like this one at Mt Alexander Road in Flemington managed by Salvation Army Community Housing, can be an affordable option for very low income single people. The Department of Health and Human Services renovated this property in 2017 to retain the heritage façade and create 7 new, self-contained studios at the rear of the site.

Modern affordable housing developments are well designed, of very high quality, and look the same as nearby developments. An example is the Ashwood Chadstone Gateway, a mixed tenure development with 282 apartments for community housing renters, people over 55, and families who have purchased their units at full market prices. The development has a high level of amenity including quality open space areas and facilities, including a social enterprise café.

Urban release areas like Wattlewood at Carrum Downs in Melbourne's east include affordable rental homes designed to the same high standards as their private market neighbours. Community housing organisation Haven Home Safe purchased the 17.4 hectare site from the Brotherhood of St Laurence in 2009 and created a 237 lot residential subdivision with 100 new affordable housing units integrated with private market homes.

Research shows that including affordable housing will not have a negative impact on property prices, and will often have a positive effect due to urban improvements<sup>3</sup>.



Wattlewood at Carrum Downs



Mt Alexander Road in Flemington

### Where can I find out more?

The community housing sector has provided low-income Victorians with safe, secure and affordable homes for over 30 years. To find out more about the community housing sector, contact the Community Housing Industry Association Victoria (CHIA Vic) [admin@chiavvic.com.au](mailto:admin@chiavvic.com.au) or visit our website [chiavvic.com.au](https://www.chiavvic.com.au).

3. Davison, et al. 2013. Understanding and addressing community opposition to affordable housing development, AHURI (<https://www.ahuri.edu.au/research/final-reports/211>).