

25/09/2024

To Whom it May Concern

The Community Housing Industry Association Victoria (CHIA Vic) welcomes the opportunity to provide feedback on the Activity Centres Program.

About CHIA Vic

CHIA Vic is the peak body that represents the not-for-profit community housing sector in Victoria. We advocate for and support the community housing sector to grow and thrive as part of a housing system where all Victorians have the dignity of an appropriate, secure and affordable home.

Overview

We strongly support the Victorian Government's stated aim of providing all Victorians with a choice of a well-designed home, at an affordable price and close to daily needs.

We agree that the status quo is not an option, and that we need to act now to make sure we build a future where every Victorian can afford a home that's right for them.

Unlocking 60,000 new homes across 10 activity centres is an important step towards this aim. However, this target alone is not sufficient. The Activity Centre Program is missing critical elements necessary to deliver the homes these communities need: targets for social and affordable housing, and a planning mechanism to deliver on those targets.

To make sure that all households can afford housing, whatever their circumstances, we need to significantly increase the supply of social and affordable housing for those priced out of the private market.

To achieve this, the overall housing target must be supported by clear sub-targets for social and affordable housing, and mechanisms to make sure it is delivered.

This submission outlines: the need for housing assistance across the delivery centres; how that need can be addressed by including mandatory planning controls and developer contributions; and an estimate of the homes that could be delivered.

This is followed by a short summary of the affordable housing needs and opportunities for each of the ten activity centres.

In this paper we make the following recommendations to allow the Activity Centre Program to deliver the social and affordable housing Victorians need:

- Sub-targets for social and affordable housing to go alongside the overall housing targets in each activity centre (16.5 per cent of all housing).
- A breakdown of these targets into social (13.5 per cent) and affordable (3 per cent) housing, and setting a minimum 10 per cent of each as housing for Aboriginal Victorians.
- Setting an Affordable Housing Contribution rate of 5.5 per cent of market value of privately developed floorspace to have developers contribute to a third of the social and affordable housing need.
- Implement the Affordable Housing Contribution rate as a mandatory planning control to avoid the uncertainty, inefficiency and costliness of voluntary agreements.
- Require that all homes delivered under the Affordable Housing Contribution are done through registered community housing organisations (CHOs) or Aboriginal Community Controlled Organisations (ACCOs).

Why we need affordable housing targets

A good home allows people to be a part of their community, maintain connections with family and participate in daily life. Yet for many Victorians, the private rental and home ownership markets are failing to offer these opportunities.

There is overwhelming evidence, and generally public acknowledgement, that Victoria's housing market is not delivering for those on low incomes, or who face discrimination in the rental market. This means that the social and economic benefits of having safe, secure and affordable housing are out of reach for tens of thousands of low-income Victorians.

To make sure that all households can afford housing, whatever their circumstances, we need to significantly increase the supply of social and affordable housing for those priced out of the current system.

Social and affordable housing must be included across all suburbs to ensure that people on low to moderate incomes can live in the communities in which they work, and have the security to build the social connections that create a sense of belonging.

The development of new Activity Centre Plans and overlays in the Victorian Planning Provisions creates an important opportunity to achieve this across the 10 areas.

This is not an opportunity Victoria can afford to miss.

How much affordable housing is needed

Research conducted in 2021 found that around 6 per cent of all Victorians did not have

suitable housing.¹ These households were either experiencing homelessness, overcrowding, or were on low incomes and spending more than 30 per cent of their income on rent in the private rental market.

In [our submission](#) to the *Plan for Victoria*, we outlined the need for social and affordable housing and demonstrated the need for targets to address the shortfall:

- Social housing should make up 13.5 per cent of all new housing.
- Affordable rental housing should make up 3 per cent of all new housing.
- That a minimum of 10 per cent of the social housing and 10 per cent of the affordable housing targets be delivered for Aboriginal Victorians.

Taken together, these targets would require that 16.5 per cent of all new housing be below-market housing.

Recommendation 1: In addition to the overall housing targets for each activity centre, include targets of 16.5 per cent social and affordable housing.

Recommendation 2: Within the 16.5 per cent social and affordable targets, specifically have a target of 13.5 per cent social housing and 3 per cent affordable housing. Additionally set minimum targets of 10 per cent of the social housing and 10 per cent of the affordable housing to be for Aboriginal Victorians.

How it can be delivered

To meet the below-market housing need across the activity centres, new development should include social and affordable housing infrastructure or an equivalent cash contribution to support off-site provision. This should be a planning requirement, applied at the precinct-scale to each activity centre, as part of the eventual planning scheme amendment.

This section explains the justification for contributing social and affordable housing in all new development, our recommended contribution rate, and options for an implementation pathway in the planning system.

Social and affordable housing is essential infrastructure that is necessary for sustainable development. Therefore, it is appropriate that part of the cost to provide it is met through the development process. Other types of essential infrastructure such as roads, open space and community facilities are similarly partly funded by development contributions, which are required at the planning permit application stage.

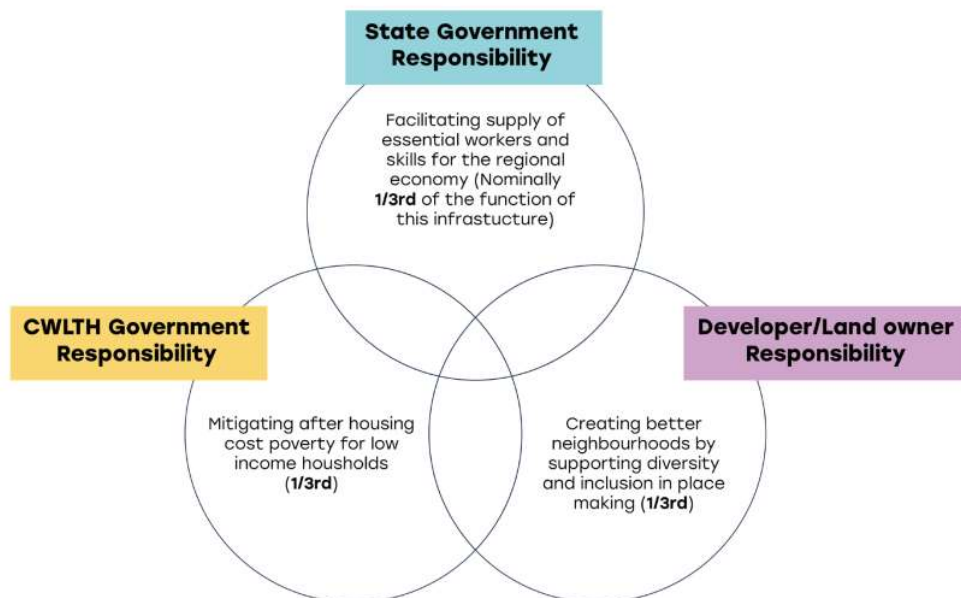
¹ Nouwelant, R. vd, Troy, L., and Soundararaj, B. (2022) Quantifying Australia's unmet housing need. <https://cityfutures.adelaide.unsw.edu.au/documents/699/CHIA-housing-need-national-snapshot-v1.0.pdf>

The external benefits generated by social and affordable housing as essential infrastructure fall within three broad categories:²

1. **Poverty alleviation** – Mitigating risk of poverty experienced by low-income families after they have paid for their housing expenses.
2. **Regional economic development** – Facilitating supply of key workers with relevant skills across key locations and regional economies.
3. **Placemaking** – Creating better neighbourhoods by supporting diversity and inclusion in placemaking.

As outlined in Figure 1 below, these categories align with responsibilities held by the Commonwealth Government, State Government and developers. We agree with the arguments put forward by SGS Economics,³ that the cost of supplying this infrastructure should be shared equally between these parties.

Figure 1: Mapping Externalities Associated with Social and Affordable Housing to Funding Sources



Source: SGS Economics and Planning

Based on the 16.5 per cent social and affordable housing need outlined above, we recommend a third of this (5.5 per cent) be required as a development contribution across all activity centres as a planning requirement in the planning provisions.

² SGS Economics & Planning (2023), 'National Housing Assistance Policy: Trends and Prospects', accessed from https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Commonwealth-housing-policy_occasional-paper.pdf

³ As above.

Recommendation 3: Set an Affordable Housing Contribution rate equivalent to 5.5 per cent of the market value of total floorspace for all private development. This Affordable Housing Contribution can be made through land, dwellings or cash equivalent for the specific purpose of building new social and affordable housing.

At present, the planning system seeks to 'facilitate the provision of affordable housing'. However, there are no agreed targets at the state level, and there is no guidance from state government about implementing affordable housing at the local level.

Within the planning system, local councils can facilitate affordable housing through voluntary agreements with a private developer or landowner, pursuant to Section 173 of the Act. To date, voluntary regimes have proven ineffective in achieving significant or equitable contributions. The outcomes of negotiations undertaken within such a framework are likely to vary considerably, leading to lack of delivery of housing and inconsistent treatment of developers.⁴ CHOs, councils, and developers across Victoria consistently remark that negotiating affordable housing on a case-by-case basis under the existing voluntary framework is time consuming and costly.

Building on this pathway to implement affordable housing requirements, several recent planning scheme amendments have successfully implemented a contributions policy or requirement at the site or precinct-scale in Victoria.⁵ These contributions are required at the planning permit application stage and enforced by a condition on the permit pursuant to Section 173.

A 5.5 per cent Affordable Housing Contribution rate is a fair means of apportioning social and affordable housing requirements to the development sector across these activity centres. That contribution rate should be implemented as a planning requirement through a precinct-scale approach at each centre, on both residential and non-residential development.

Recommendation 4: Implement the Affordable Housing Contribution rate as a mandatory planning requirement on all private development, through the applicable planning provisions.

To enforce the proposed Affordable Housing Contribution rate, it must be incorporated into the Planning Scheme through the Planning Scheme Amendment process.

This policy should be implemented in the Planning Scheme by:

- Introducing precinct specific planning requirements for social and affordable housing contributions in the applicable planning provisions.

⁴ For some discussion of the challenges of a negotiation-based model see Katrina Raynor, Matthew Palm, and Georgia Warren-Myers, "Ambiguous, Confusing, and Not Delivering Enough Housing," *Journal of the American Planning Association* 87, no. 4 (May 2021): 542–55.

⁵ State Government of Victoria (2024), Examples of planning scheme clauses that facilitate affordable housing, accessed from <https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/housing-strategy/accordion-1/examples-of-planning-scheme-clauses-that-facilitate-affordable-housing>

- Requiring that the gross realisation value of a development be established either by certified declaration by the proponent, or by the Council requesting an independent valuer to provide this figure.
- Requiring contributions to be made directly to a registered CHO, or to ACCOs to ensure that the outcomes of contributions are easily monitored through existing regulatory systems.

Recommendation 5: Require that any contributions made through the Affordable Housing Contribution are made direct to a registered CHO or to an ACCO.

As outlined in the summaries of below-market housing need and opportunities in each of the 10 activity centres, implementing these recommendations could deliver between an estimated 3,537 and 4,796 social and affordable homes.

Further Information

CHIA Vic's Policy Officer, Stephanie Ng supports developers and local government to learn more about the community housing sector and identify community housing partners for Affordable Housing developments. Stephanie and the CHIA Vic team are happy to be contacted to discuss opportunities for Affordable Housing growth across Victoria.

If you would like to discuss this submission further or ways in which CHIA Vic can assist in your Affordable Housing work, please contact stephanie.ng@chiavic.com.au.

Yours sincerely



Jason Perdriau
Acting Chief Executive Officer, CHIA Vic

Attachment 1

The following summaries of affordable housing needs and opportunities are provided for each of the ten activity centres:

- 1.1 Broadmeadows
- 1.2 Camberwell Junction
- 1.3 Chadstone
- 1.4 Epping
- 1.5 Frankston
- 1.6 Moorabbin
- 1.7 Niddrie (Keilor Road)
- 1.8 North Essendon
- 1.9 Preston (High St)
- 1.10 Ringwood

1.1 Affordable Housing need – Broadmeadows activity centre

The table below summarises the total need for housing assistance in the City of Hume which covers the Broadmeadows activity centre, broken down by those who are either:⁶

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 1: Estimated households in need of housing assistance, City of Hume, 2021

9,470 households in need			
435 experiencing homelessness	3,948 in moderate rental stress	3,164 in severe rental stress	1,923 living in social housing
7,547 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Broadmeadows Activity Centre Plan.

Table 2: Estimated homes that could be built through a 5.5 per cent contribution rate, Broadmeadows activity centre and catchment area

	Lower target	Upper target
Total new housing	3,000	4,500
Contributed Affordable Housing	165	248

Out of the total housing need across the City of Hume, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

⁶ Note that this model excludes homeowners.

1.2 Affordable Housing need – Camberwell Junction activity centre

The table below summarises the total need for housing assistance in the City of Boroondara which covers the Camberwell Junction activity centre, broken down by those who are either:⁷

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 3: Estimated households in need of housing assistance, City of Boroondara, 2021

5,723 households in need			
285 experiencing homelessness	2,428 in moderate rental stress	2,360 in severe rental stress	649 living in social housing
5,074 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Camberwell Junction Activity Centre Plan.

Table 4: Estimated homes that could be built through a 5.5 per cent contribution rate, Camberwell Junction activity centre and catchment area

	Lower target	Upper target
Total new housing	7,500	10,100
Contributed Affordable Housing	413	556

Out of the total housing need across the City of Boroondara, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

⁷ Note that this model excludes homeowners.

1.3 Affordable Housing need – Chadstone activity centre

The table below summarises the total need for housing assistance in the City of Glen Eira, City of Monash, and City of Stonnington which cover the Chadstone activity centre, broken down by those who are either:⁸

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 5: Estimated households in need of housing assistance, City of Glen Eira, City of Monash, City of Stonnington, 2021⁹

23,180 households in need			
2,348 experiencing homelessness	8,684 in moderate rental stress	8,480 in severe rental stress	3,668 living in social housing
19,512 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Chadstone Activity Centre Plan.

Table 6: Estimated homes that could be built through a 5.5 per cent contribution rate, Chadstone activity centre and catchment area

	Lower target	Upper target
Total new housing	6,500	8,000
Contributed Affordable Housing	358	440

Out of the total housing need across these LGAs, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

⁸ Note that this model excludes homeowners.

⁹ Note that both the Chadstone and Moorabbin activity centres share the City of Glen Eira as one of the LGAs they are located in, and so some of the estimated households in need of housing assistance in tables 5 and 10 will overlap.

1.4 Affordable Housing need – Epping activity centre

The table below summarises the total need for housing assistance in the City of Whittlesea which covers the Epping activity centre, broken down by those who are either:¹⁰

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 7: Estimated households in need of housing assistance, City of Whittlesea, 2021

7,750 households in need			
472 experiencing homelessness	3,649 in moderate rental stress	2,710 in severe rental stress	919 living in social housing
6,831 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government's targets for new housing under the Draft Epping Activity Centre Plan.

Table 8: Estimated homes that could be built through a 5.5 per cent contribution rate, Epping activity centre and catchment area

	Lower target	Upper target
Total new housing	9,800	13,900
Contributed Affordable Housing	539	765

Out of the total housing need across the City of Whittlesea, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹⁰ Note that this model excludes homeowners.

1.5 Affordable Housing need – Frankston activity centre

The table below summarises the total need for housing assistance in the City of Frankston which covers the Frankston activity centre, broken down by those who are either:¹¹

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 9: Estimated households in need of housing assistance, City of Frankston, 2021

7,752 households in need			
716 experiencing homelessness	3,101 in moderate rental stress	2,390 in severe rental stress	1,545 living in social housing
6,207 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Frankston Activity Centre Plan.

Table 10: Estimated homes that could be built through a 5.5 per cent contribution rate, Frankston activity centre and catchment area

	Lower target	Upper target
Total new housing	4,000	6,300
Contributed Affordable Housing	220	347

Out of the total housing need across the City of Frankston, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹¹ Note that this model excludes homeowners.

1.6 Affordable Housing need – Moorabbin activity centre

The table below summarises the total need for housing assistance in the City of Bayside, City of Glen Eira, and the City of Kingston which cover the Moorabbin activity centre, broken down by those who are either:¹²

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 11: Estimated households in need of housing assistance, City of Bayside, City of Glen Eira, City of Kingston, 2021¹³

16,545 households in need			
954 experiencing homelessness	6,729 in moderate rental stress	5,988 in severe rental stress	2,874 living in social housing
13,671 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government's targets for new housing under the Draft Moorabbin Activity Centre Plan.

Table 12: Estimated homes that could be built through a 5.5 per cent contribution rate, Moorabbin activity centre and catchment area

	Lower target	Upper target
Total new housing	5,000	6,800
Contributed Affordable Housing	275	374

Out of the total housing need across these LGAs, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹² Note that this model excludes homeowners.

¹³ Note that both the Chadstone and Moorabbin activity centres share the City of Glen Eira as one of the LGAs they are located in, and so some of the estimated households in need of housing assistance in tables 5 and 10 will overlap.

1.7 Affordable Housing need – Niddrie (Keilor Road) activity centre

The table below summarises the total need for housing assistance in the City of Moonee Valley which covers the Niddrie (Keilor Road) activity centre, broken down by those who are either:¹⁴

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 13: Estimated households in need of housing assistance, City of Moonee Valley, 2021¹⁵

5,968 households in need			
277 experiencing homelessness	2,125 in moderate rental stress	1,510 in severe rental stress	2,056 living in social housing
3,912 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government's targets for new housing under the Draft Niddrie (Keilor Road) Activity Centre Plan.

Table 14: Estimated homes that could be built through a 5.5 per cent contribution rate, Niddrie (Keilor Road) activity centre and catchment area

	Lower target	Upper target
Total new housing	3,400	3,900
Contributed Affordable Housing	187	215

Out of the total housing need across the City of Moonee Valley, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹⁴ Note that this model excludes homeowners.

¹⁵ Note that both the Niddrie (Keilor Road) and North Essendon activity centres are both located entirely within the City of Moonee Valley, and so share the same set of numbers estimating households in need of housing assistance.

1.8 Affordable Housing need – North Essendon activity centre

The table below summarises the total need for housing assistance in the City of Moonee Valley which covers the North Essendon activity centre, broken down by those who are either:¹⁶

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 15: Estimated households in need of housing assistance, City of Moonee Valley, 2021¹⁷

5,968 households in need			
277 experiencing homelessness	2,125 in moderate rental stress	1,510 in severe rental stress	2,056 living in social housing
3,912 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government's targets for new housing under the Draft North Essendon Activity Centre Plan.

Table 16: Estimated homes that could be built through a 5.5 per cent contribution rate, North Essendon activity centre and catchment area

	Lower target	Upper target
Total new housing	5,100	6,200
Contributed Affordable Housing	281	341

Out of the total housing need across the City of Moonee Valley, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹⁶ Note that this model excludes homeowners.

¹⁷ Note that both the Niddrie (Keilor Road) and North Essendon activity centres are both located entirely within the City of Moonee Valley, and so share the same set of numbers estimating households in need of housing assistance.

1.9 Affordable Housing need – Preston (High Street) activity centre

The table below summarises the total need for housing assistance in the City of Darebin which covers the Preston (High Street) activity centre, broken down by those who are either:¹⁸

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 17: Estimated households in need of housing assistance, City of Darebin, 2021

9,596 households in need			
829 experiencing homelessness	3,497 in moderate rental stress	2,590 in severe rental stress	2,680 living in social housing
6,916 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Preston (High Street) Activity Centre Plan.

Table 18: Estimated homes that could be built through a 5.5 per cent contribution rate, Preston (High Street) activity centre and catchment area

	Lower target	Upper target
Total new housing	11,800	15,300
Contributed Affordable Housing	649	842

Out of the total housing need across the City of Darebin, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹⁸ Note that this model excludes homeowners.

1.10 Affordable Housing need – Ringwood activity centre

The table below summarises the total need for housing assistance in the City of Maroondah which covers the Ringwood activity centre, broken down by those who are either:¹⁹

- experiencing homelessness,
- residing in social housing,
- experiencing moderate rental stress (paying over 30 per cent of income on rent),
- experiencing severe rental stress (paying over 50 per cent of income on rent).

Table 19: Estimated households in need of housing assistance, City of Maroondah, 2021

4,831 households in need			
389 experiencing homelessness	1,976 in moderate rental stress	1,369 in severe rental stress	1,097 living in social housing
3,734 Affordable Housing shortfall			

Source: SGS Economics & Planning (2024) Housing Assistance Demand Model

CHIA Vic is recommending a developer contribution rate of 5.5 per cent of the market value of all privately developed floorspace. The table below shows how many homes this could deliver based upon the Government’s targets for new housing under the Draft Ringwood Activity Centre Plan.

Table 20: Estimated homes that could be built through a 5.5 per cent contribution rate, Ringwood activity centre and catchment area

	Lower target	Upper target
Total new housing	8,200	12,200
Contributed Affordable Housing	451	671

Out of the total housing need across the City of Maroondah, this is a modest contribution given the role of private developers in placemaking for this activity centre.

We would expect that state and federal governments accept responsibility for seeing the delivery of the remainder of the 16.5 per cent of Affordable Housing CHIA Vic has suggested is the needed target.

¹⁹ Note that this model excludes homeowners.

