

## New Options for Affordable Housing?

The last edition of **Sheltashortz (March)** stated that affordable housing refers to any housing that meets some form of affordability criteria. The criteria Shelter referred to, was the National Housing Strategy benchmark. That is, affordable housing is where a household in the lowest 40% (lowest 2 quintiles) of income earners is not paying more than 30% of their income in rent.

A wider definition pitches affordable housing as the private sector alternative to public and community housing and is any housing supplied by the private sector that meets some affordability criteria. Again, the criteria used is usually 30% of income, although this wider definition often includes middle income earners (i.e. part of the third quintile) in its target group. **This definition effectively recognises that Government funding for public and community housing is decreasing placing an increasing emphasis on the private sector to provide housing for people towards the bottom of the income scale.**

Regardless of the definition used, all of the indications are that the amount of affordable housing in Tasmania is falling across all tenures.

For home purchasers in Tasmania, house prices have increased considerably in recent years. The Real Estate Institute has supplied Shelter with data that shows that over the past 2 years Hobart's inner city cheaper housing prices (i.e. housings in the lowest 25% of sales) has increased by a staggering 208.9% from April 2001-2003. The private rental sector in the same period and location has gone up 12.5% with sustained low vacancy rates. The final tenure, social housing is declining in importance relative to home-ownership and private rental. In 1998 there was close to 14,000 public rental stock, in February 2003 there were 12,066.

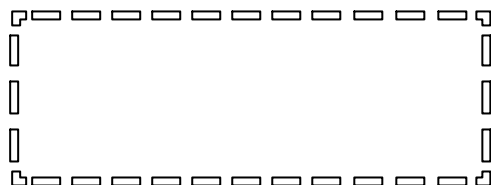
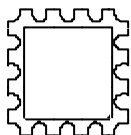
The failure to expand social housing stock is due in part to falling Government funding for social housing, and in part to the policy of 'targeting' people with high needs and low incomes. This increases tenancy management cost and reduces rental revenue. This means that the policy of targeting has reduced the viability of social housing providers.

Overall, it is evident that there has been a severe decline in housing affordability in Tasmania in recent times. This decline is a concern not only as an issue in itself, but because housing is widely recognised as one of the key causal factors for a range of social, health and economic problems. Shelter would like to examine three ways in which the decline in housing can be reversed.

**1 To increase the amount of Government funded housing in the State.** Shelter Tas strongly believes that social housing plays an essential role in the Tasmanian Housing System. Further increases in Government funding and changes to the policy of targeting would be required to achieve substantial growth in the sector.

**2 To expand affordable housing by encouraging the private sector to increase the supply of affordable housing.** This can be achieved either by providing housing related income supplements to housing consumers or by subsidising housing providers. The drawbacks of both types of subsidies are that they are relatively expensive and provide one off relief, as opposed to the provision of housing stock, which can be used for a period of many years.

**3 The creation of innovative partnerships between the private, community and Government sectors.** Over the last decade, many have been proposed, but few have made it beyond the design phase. One model which has received much publicity is the Brisbane Housing Company. Overall, Shelter supports the development of innovative measures to increase housing affordability, provided that these initiatives are additional to, rather than instead of, other approaches such as social housing and rent assistance.



**Shelter Tas**

Housing: A key to well-being

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## sheltashorts

### ➔ Affordable Housing (continued)

While innovative approaches may be a good way to make some progress on affordable housing, the extent of the problem is such that significantly more funding is required even if these innovative measures can be implemented successfully.

The recent National Shelter Policy Platform (copies available from Shelter), argues that large improvements in housing affordability can be achieved by redesigning housing assistance.



## Launch of Towards an Affordable Housing Strategy for Tasmania.

Housing Tasmania have undertaken consultations with a variety of stakeholders during May, for input into the development of an Affordable Housing Strategy (AHS).

A copy of the background papers have been included in this (mail out) to make sure all members have a copy, alternatively you can also view them at [www.dhhs.tas.gov.au/housing/ahs](http://www.dhhs.tas.gov.au/housing/ahs)

Shelter has recently been informed, that the findings of the May consultations will be circulated in the near future to all those who participated. Shelter will also circulate a copy to all members. There will be more opportunities to help formulate the Strategy over the coming months.

As the peak housing body in Tasmania Shelter wishes to ensure that the consultation process is inclusive for all. Shelter has given formal feedback from members comments on the consultations so far and will continue to do so. If you have any comments/ideas regarding the Strategy and the process so far please contact Shelter

Shelter has advocated for an Affordable Housing Strategy for this state over the past few years as a way to better understand and improve housing outcomes for those on low incomes. We are aware that not all Tasmanian's are benefiting from the current housing boom. The Strategy is an important means to bring into focus the importance of affordable housing for all Tasmanians.

# SHELTER IS ON THE MOVE



Our current premises has been sold and we have to move out. On the 25th of June 2003 we will be moving to:



**Suite 21a 108 Collins Street Hobart**  
**Phone 62245488 ♦ Fax 62245388**  
**the mobile and email remain the same.**

The good news is we now have a larger office for everyone to share and house the Shelter Library. Also at last!!!! We have disabled access and facilities!

