Submission to the National Housing and Homelessness Plan

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Table of Contents

Grounded pays respect to all First Nations people throughout this land and honour the stewardship demonstrated over 60,000+ years that continues today.
We acknowledge that sovereignty was never ceded.

About us

Grounded is a not-for-profit organisation established to advocate, incubate and accelerate the development of Community Land Trusts (CLTs) in Australia. We are focused on making affordable housing a reality before the 'Australian dream' becomes an urban myth. Housing options that are affordable and provide secure tenure allow people to connect, care and remain part of their local communities.

Introduction

Australia requires a housing and homelessness plan that focuses on timely goals, success metrics, deliverables and a communication plan. It must include best practice, oversight and continual iteration to ensure we do not repeat mistakes.

Such a plan must ensure it maintains the public interest in all outcomes. For too long policy has been sculpted with overdue influence from vested interests engaging in rent-seeking. For too long policy has favoured one cohort over another, often masquerading as assistance for the poor but subsidising the wealthy. The resultant cost of households not being able to look after themselves has become a significant budget expenditure. We can no longer afford such wasted opportunities.

Australia's post-manufacturing model of Big Housing, Big Infrastructure, Big Debt and Big Immigration is lazy economic policy and must change. Our economic model is orchestrated to create exactly the housing crisis we are enduring. We do this by stating we are in a housing supply crisis, but refuse to count the entire housing ecosystem (vacancy analysis). We do this by favouring policy fraud over deep-seated economic reform. We do this by relying on public commentators (often banking or real estate economists) to educate the public, rather than objectively teaching how community development naturally adds to locational advantage.

For more than 20 years land price inflation has outstripped wage growth. We are now feeling the pinch of such a reliance with the housing system at breaking point - just as 454,400 new immigrants arrive.[1]

The commodification of housing has led to such a crisis, and until we address this, we will continue to feel the pressure throughout all layers of society. Policy makers must recognise that land ownership delivers significant market power. Without counter-balancing policy, an absence of competitive market outcomes will result.

This is threatening the social contract. Young people who have done all the right things are still unable to find security of tenure,[2] the cornerstone of a property owning democracy. We call these solid citizens the 'missing moderates' - middle income earners who no longer feel there is a place for them because the deposit gap keeps outpacing their savings.

The establishment of the National Housing Accord, creation of a National Housing and Homelessness Plan and the passing of the Housing Australia Future Fund present an opportunity to correct the course of the housing market in Australia. The history of the Great Australian Dream of home ownership has shaped the houses and communities we live in and the housing policies of governments for over 100 years. And while our communities and

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[1] Australian Bureau of Statistics (March 2023), National, state and territory population, ABS Website, accessed 17 October 2023.

[2] Spackman, S, [If Mum stops breathing, I'm not resuscitating – I'm going house-hunting](), The Age, October 2023

aspirations continue to grow more diverse, Australian housing policy has not kept up. We are now faced with a housing market that is no longer fit for purpose.

Our submission will focus on:

- Community Land Trusts and community led housing
- Social housing
- Affordable housing
- Planning, tax and supply
- The redirection of ineffective government subsidies.

Key Recommendations

A National Housing and Homelessness Plan needs to have a clear vision, ambitious goals and a pathway that provides community and sector confidence so that it can be achieved. The plan should include the following goals:

- Security of tenure for all cohorts
- 10 year aim to return ownership for 30 - 45 year olds to long term average
- Increased flexibility of housing ownership to enable climate resilience.
- Particular focus on key groups experiencing housing disadvantage:
  - Women over 55
  - Aboriginal and Torres Strait Islander peoples
  - Young people
  - People with disability
  - Single parent families
  - Low to moderate income earners.

This can be facilitated by:

Social and affordable housing

- Government interventions and subsidy products are redirected to fund housing that delivers perpetually affordable housing
- Government recognises the benefit of community led housing approaches and demonstrates confidence in the sector via pilot projects and Housing Australia backing
- The Housing Australia mandate is expanded to include for-purpose housing organisations who are not registered Community Housing Organisations (CHOs) but are aligned to provide affordable housing outcomes.

Government support for establishment of CLT housing market

- Government to develop a CLT startup fund, encouraging community led housing
- Housing Australia to offer a lender of last resort capacity to provide confidence to finance sector

- LMI insurance to be covered by Housing Australia
- Redirecting demand side subsidies such as FHOG towards funding CLT projects
- Capital Gains Tax reforms to encourage land and cash donations
- Sales of government land to be offered to CHOs and community led housing (CLH) before the wider market
- Rural exception sites allowed rezoning if perpetual affordability lock implemented.

Tax reforms

- Vacant land and housing taxes, potentially directing revenue to affordable housing projects
- Removal of CGT discount for properties sold under 3 years
- Incentivise SMSF residential investment streams into dedicated affordable housing projects.

Land supply and planning

- Land and housing supply policies and pipelines are scrutinised to best meet housing needs rather than allowing rent-seeking
- Effective regulation of the short term holiday letting industry with any government revenue directed to community led housing outcomes.

Systemic Issues

Australia's jumbo sized mortgages are of such magnitude they undermine the ability of the economy to adapt to rapidly changing circumstances.

Climate risk is mounting. City planning must assume coastal inundation is set to accelerate. Climate modelling is set to reveal a number of towns will no longer be viable in 75 years. As that window shortens, it will become harder to find a lender or insurer. By 2030, one in 25 properties is expected to be uninsurable.[3]

The need for a flexible housing model will inevitably become an imperative. Modular, demountable housing is benefitting from increased attention, but that flexibility must be accompanied by reducing the upfront cost of land. A land leasehold system is key to such adaptability. With less sunk capital in the land, homeowners have capacity to move according to changing weather patterns.

Reinsurance is another housing factor where government foresight will be required.

As society mobilises to deal with a system that has favoured rent-seekers for too long,[4] the Federal government needs to provide certainty to the market by providing statutory

[3] Hutley, N, Uninsurable Nation, Climate Council, 2022
[4] Hutchens, G, RBA Rate hikes causing inflation, says Ross Garnaut, calling for radical overhaul of economic policy, ABC, 2023

definitions for new housing models. This will build confidence amongst the finance and governance sectors.

Superannuation performance test regulations are another area that have well meaning intentions that may be adding unnecessary pressure on adaptation. Many superannuation companies are of such a size that they face universal ownership challenges. Any change to underlying fundamentals can affect both the organisation and their members. Rising land prices are one of the nation's most significant cyclical risks.

With super increasingly being seen as a white knight for housing affordability, we question whether the requirement to earn market returns in all areas of investment is healthy for the fund itself. Should super be demanding '10-14% returns' in order to invest in affordable housing?[5] Such returns shrink the affordability potential, requiring greater government subsidy and in turn further tax burdens.

We believe it would reduce systemic risk if the super industry was allowed to invest in affordable projects as a 'low risk component' of their portfolio. Land rent payments are one of the most stable income sources, such is the primacy of housing. Such support from the community funded superannuation industry would enable more affordability at a lower overall economic cost, reducing the systemic bias that rising land prices place on the economy.

The pressure points across intergenerational wealth, demographic change and climate risk see it as imperative that our housing plan be built to best practices. With root and branch tax reform still off the table, we believe that Community Land Trusts offer a pathway to assist the cohorts challenged by both the pace of change and the natural advantages afforded to land owners.

Why Community Land Trusts

Community land trusts provide the most cost effective affordable housing

CLTs offer a unique model of housing where a Trust is established to own the land. The resident only needs to borrow for the house. By separating the land and dwelling, the cost to the resident is significantly reduced, whilst still providing the benefits of home ownership.

CLTs assist to stabilise house prices for future residents as the increase in property values is more closely aligned with increases in median wages. This avoids land price inflation inclusive of speculative drivers. Housing stock therefore remains affordable and relevant to workers on local wages.

CLTs will assist the missing moderates by reducing the deposit gap. By only having to borrow for the improvements (i.e. dwelling), a CLT resident may only require a deposit of $50,000 instead of a $150,000 deposit. This will help to reduce local rental pressure, with missing

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[5] T Billings, Lessons learned on how to get the Capital to Stack, AHURI National Housing Conference, 2023

moderates who once could afford their own homes with a $50,000 deposit, now able to enjoy security of tenure.

CLTs deliver a significant 3:1 return on investment in the UK when health, wellbeing and income distribution benefits are factored in over 30 years.[6] With less spent on land, there is more headroom for development designed for our climate altered future. This could include a fire bunker in bushfire prone regions, or hurricane proof housing.[7]

The UK CLT Network has helped facilitate the growth of CLTs from just a handful to 587 - just since the GFC.[8] Similar growth is happening in the US, with major donations from super philanthropist Mackenzie Scott adding to the impetus. [9] [10] In Australia, there are numerous groups working to establish CLTs and with a few minor changes to housing policy, we could see the establishment and accelerated growth of the CLT sector within a few short years.

The nature of the CLT model sees the development cost shared between funds raised by the Trust (often via government and philanthropy) and the resident (via mortgage). This delivers a scalable return for government investment that operates in the knowledge that any future property sale has an affordability lock in place. The affordability lock is ensured with a triple check process. The CLT formula can include a monthly land lease, a resale formula (with an agreed split in gains between Trust and seller) and a legally enforceable covenant that limits prices to 30% of the median income earner in the region. One government subsidy can assist a lifetime of affordable housing.

This compares to government run shared equity programs that rely on selling to the open market to recoup the 20-40% equity lent to the home buyer. The new buyer is required to enter at a higher price, potentially requiring even higher government subsidy.

Community Land Trusts (CLTs) and community led housing projects can also provide a much more effective way to incorporate local factors seen as essential to that location. Such connections have the potential to inspire contributions from philanthropists as well as local MPs. This compares to government run shared equity programs that struggle to capture the heart and soul of a community.

CLTs offer the government and the Australian public the most cost-effective affordable housing model available. They provide competitive returns on investment in terms of public investment, affordability and social cohesion. Unlike demand-side subsidies such as the First Home Owners Grant (FHOG), any initial government subsidy to establish a CLT is retained within the CLT structure and the benefits remain available for future residents. CLTs have a

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[6] Colquhoun, C. Housing by the Community, For the Community, 2022
[7] Applegate, A. CLTS are Building Disaster-Resilient Neighborhoods, 2022
[8] UK CLT Network, Policy & Vision, 2023
[9] Cohen, J. Mackenzie Scott Gives $10m affordable homeownership in Seattle, 2023
[10] Menderson, J. Historic Contribution, 2023

proven track record overseas, particularly in the US in relation to their robustness during the Global Financial Crisis (GFC).[11]

Currently the Australian housing market has transitioned from one where the sanctity of the family home was the basis of the property owning democracy to a scenario where now only those who own property can access the subsidies and privileges that land ownership delivers.

Whereas previously the private rental market was seen as a stepping stone between leaving the family home and entering home ownership as a young adult, the prevalence of lifetime renters is increasing. The market is not responding adequately to the need for long term, secure rentals and affordable home ownership alternatives. The current situation for many can be summed up with this quote from a recent regional housing needs survey:

> *"The bank says I can't afford $850 a fortnight for a mortgage so I pay $1200 a fortnight in rent instead."*[12]

Government needs to continue the recent interventions in the market to drive the development of an affordable housing ecosystem. The mainstream housing market cannot and will not respond to renter's and low to moderate income earners housing needs without adequate reforms. As long as it is more profitable and less restrictive to rent a property via AirBNB than as a long term rental, the market will choose the former. As long as the government continues to rely on FHOG type subsidies, the market will continue to inflate prices. New interventions are needed and community led housing solutions such as CLTs need to be prioritised.

CLTs close the loop by ensuring prices do not increase beyond wage growth.

Role of government to support Community Land Trusts

With CLTs able to assist meet significant market gaps, the following support should be urgently provided and highlighted in the plan.

1. Housing Australia mandate widened

Assistance could be provided by simplifying the process of becoming a CHO. Community led housing could be driven by local communities that are administered under the ACNC, with further oversight provided by the ATO's PBI DGR status. If certain affordability outcomes can be met and is recognised in a community led organisation's constitution, then assistance should be enabled.

Importantly, such a widening of the affordable housing mandate should ensure that any future sales have **an affordability lock on price**. This means that a legal covenant could be placed

[11] Thaden & Rosenberg, Outperforming the Market - Delinquency & Foreclosure in Community Land Trusts, 2010

[12] Housing Matters Action Group, 'Housing needs mapping survey', Anon quote, 2022

on the sales price such that prices could not increase faster than the median wage growth for the area.

The Treasury review into the Operation of Housing Australia recommends that the Housing Australia mandate be broadened to encourage 'crowd in' investment and aid the development of an affordable housing investment market.[13] This could include Housing Australia being willing to invest lower down the capital stack. While this may impact on Housing Australia profitability and delay the ability to pay dividends, Treasury itself believes that this is a cost the Commonwealth should be willing to bear as part of its role in providing housing solutions to Australians in need.[14]

Housing Australia needs to also change its funding model to improve the balance sheets of CHOs and the emerging CLH sector. *"Housing Australia's affordable housing bond aggregator does not directly provide equity or subsidised funding to generate affordable housing supply beyond its margin of interest rate savings on borrowings."*[15] For CHO's such as Common Equity NSW, the balance sheet imposition is significant, particularly compared to Common Equity Victoria, where the Victorian public housing transfer included title to the land. This has allowed the equity to be leveraged, facilitating further expansion.

2. Government to develop a CLT startup fund, encouraging community led housing

With major developers often acting in concert to ensure higher prices, we need genuine competition in the housing market. Community Land Trusts offer an exciting opportunity for local groups to gather, connect and forge forwards to provide the type of housing that often gets overlooked.

Housing Australia must **fund CLT pilot projects**. We need Housing Australia to provide the backing for such a community driven housing ecosystem. This will start small, but with a perpetually affordable focus there is no reason it could not grow over decades to a similar size of Sweden's innovative Sveriges Allmannytta, where 30% of Swedes live in rental housing where security of tenure is guaranteed.[16]

2. Housing Australia to offer a lender of last resort capacity to provide confidence to the finance sector

Housing Australia should act as **lender of last resort** for CLTs, lowering risk and expanding lending options. In the Netherlands, social housing corporations have remained largely independent of the state since 1995. This has been enabled by three layers of guarantee, the last by government. Layers two and three have never been called upon.[17]

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[13] The Australian Treasury, Statutory Review, Operation of the National Housing Finance and Investment Corporation Act 2018, Final Report August 2021
[14] ibid
[15] Gurran, N. et al, Private Sector Involvement in Social and Affordable Housing, 2022
[16] Sveriges Allmannytta, Public Housing in Sweden
[17] BCCM, Supplementary Submission #64 to the Falinski Inquiry, 2022

3. LMI insurance to be covered by Housing Australia

An **LMI guarantee for CLTs will signpost to the finance sector** that this form of shared equity is viable**.** Fannie Mae has largely absolved this requirement for CLTs as the LVR is comparatively low.[18] Housing Australia already provides this service to for-purpose housing and should expand this aid to the emerging CLT sector.

4. Redirecting demand side subsidies such as FHOG towards funding CLT projects

The various forms of First Home Owners Grants and Stamp Duty Discounts emerging over the last decade have acted to confound affordability outcomes.[19] Rather than continue to increase the reliance on such subsidies for first home buyers and vulnerable groups to be able to enter the housing market, **funding streams should be redirected** to projects that retain affordability for future residents.

5. Capital Gains Tax reforms to encourage land and cash donations

The Federal government can elevate CLTs **by encouraging land donations to CLTs with a tax incentive.**[20] This could be based on existing incentives for land donations to environmental land trusts.[21] Donations of land to Community Land Trusts would be capital gains exempt. Additionally, a tax credit or deduction can be provided in exchange for the land, based on fair market value.

6. Sales of government land should be offered to CHOs and CLH before the wider market

The paucity of remaining public land remaining should be channelled towards housing organisations that have **for-purpose housing as their primary aim**. Additional requirements should include an affordability lock on future sales. The Federal government could work with the states to enable a density bonus for such housing providers, allowing an extra 2 stories for a public-interest development. This is particularly important to establish as public debt post covid has accelerated, alongside the pressures of rate capping in many local government jurisdictions. This has pushed councils to consider the once unthinkable - **selling public land to meet short term objectives.**

The pressures caused by rate capping and continual vertical-fiscal imbalance means that local councils in particular are under pressure to sell their scarce remaining public sites. Instead of selling these sites, councils and governments of any jurisdiction should consider a leasehold system. Rents could be returned to the public coffers whilst assisting the debt profile of a CLH

[18] Fannie Mae, Community Land Trusts FAQ, 2023
[19] Martin, C. et al, Assisting First Homebuyers: An International Policy Review, AHURI, 2021
[20] MP F Caputo, Petition to the Government of Canada, 2023
[21] ATO, Claiming conservation covenant concessions, 2020

project. If the financial pressure is too great, such sites should be first offered for sale to for-purpose development such as CLH or CHO's.

During economic downturns, governments should not only prepare for a land buying spree to **rebuild the public land bank**, but also act to ensure that foreign investment is limited from arbitrage activities (that may well crowd out public interest outcomes)?

7. Rural Exception Sites allowed rezoning if perpetual affordability lock implemented

A greater balance between the preference for regional hobby farms over affordable farming should be investigated with the potential for local councils to allow Rural Exception Sites, as per in the UK.[22] **Affordable dwelling pods of 3-4 homes** should be encouraged to ensure farm based labour has a long term commitment to the land. Permaculture principles allow small scale farming to be more productive.

With **greater off-grid capacity** provided by solar, water and septics now possible, the strains on local council resources have reduced. This could enable greater food security with affordable farm pods helping to reinvigorate the demographic potential of regions. Such planning permissions could be limited to a few kilometres from an arterial road.

Consideration of the applicability of CLTs and rural exception sites to Aboriginal and Torres Strait Islander owned land could offer land councils and corporations a way to provide the benefits of home ownership to individual community members while also retaining shared ownership of land assets.

Community led housing responds to local context

Community led housing is an umbrella term for housing models that involve residents and communities having central roles in the development and ongoing management of housing.[23] Community led housing typically focuses on affordability relative to local wages and wider social benefits such as social cohesion and environmental responsibility. Community led housing initiatives can respond effectively to local housing needs and often as part of their grassroots development tend to avoid or minimise NIMBY objections.

While CLH is able to respond effectively to localised housing needs, the criticisms from government and developers is that there can be a lack of scalability and/or replicability and an imbalance between the emphasis on community wellbeing and financial viability of potential projects. For this reason, we believe that CLTs provide the most suitable framework for community led housing because of the balance it provides in terms of a robust financial and legal structure while retaining the ability to adapt to local context and community priorities. The most effective housing outcomes for renters and those aspiring to home

[22] UK government, Housing Needs of Different Groups, 2021
[23] World Habitat, What is community-led housing? 2017

ownership will come as a result of effective collaboration between government, for purpose housing organisations and community led initiatives.

The 'Missing Moderates'

With the housing crisis affecting young people, over 55's, solo mums and families stuck in the 'sandwich squeeze' of having to care for both their children and their ageing parents, we have concern that this cascading of housing pressures is reducing the upward mobility of middle income earners into ownership. These are solid citizens who earn too much to access subsidised housing options but are blocked from the security of home ownership due to the deposit gap.

This missing housing supply for low to moderate income earners, the missing moderates, needs to be a priority focus in a housing market that demonstrates so many market failures. Interventions that specifically target this cohort will reduce the growth in demand for social housing, homelessness services and affordable rentals. Options such as CLTs will help to stabilise local housing markets and ensure that essential workers have access to housing in suitable locations.

In a world where stable, affordable rental supply is disappearing day by day, such a product will help remove the rampant fear so many feel when moderate income earners are just one eviction notice away from homelessness.

Nation Housing Plan: CLT rollout

With a ten year rollout plan, CLTs could follow a similar trajectory to the UK CLT housing experience. The UK Cohousing Network and Community Land Trust Network recently launched the 'Community Led Housing Growth Lab'. This is an incubator and accelerator program designed to help the community led housing sector address the challenge of scale.[24] In 2010, there were around 600 CLT homes in the UK, today that number is 1,711 with an additional 5,413 in the pipeline and based on CLT Network UK research, the potential for another 278,000 to be built.[25]

Initially the plan here would start with a small number of replicable pilot projects that will identify and work through any planning, legal and financial barriers. In years 3 - 5, with a model that is building in confidence, the rollout of a national CLT Start Up Fund with Housing Australia backing will enable the sector to grow to help fill the current gap between private rental and home ownership.

The redirection of individualised subsidies into the establishment of a financially sustainable CLT housing sector has the potential to save money in the medium term. Rather than the ever

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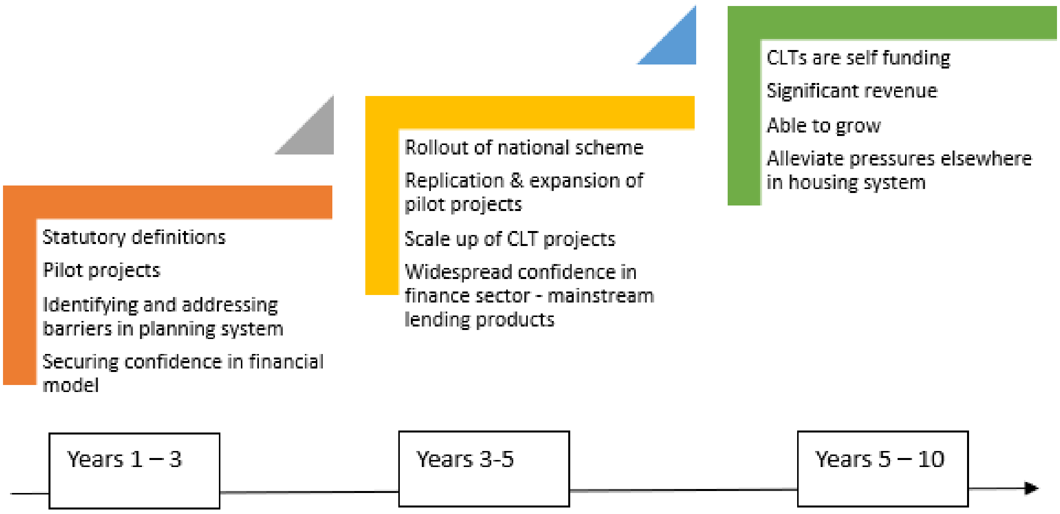
[24] UK Cohousing, Unveiled: the Community Led Housing Growth Lab 2023
[25] Bowker, C. Community land trusts are the next social housing revolution: 'It's about empowering people', The Big Issue UK, 15th Oct. 2023

increasing need for government subsidies for individuals to enter into home ownership, the need for government funding for CLTs decreases as the sector grows. As demonstrated by the Swedish public housing example, an initial investment to establish the roll out of a national localised community led housing ecosystem has enabled the ongoing delivery of homes that meet community needs.

Such a rollout can help the 30 - 45 age group improve their home ownership rates.



Social Housing

The safety net, not the solution

Social housing for very low income earners is a vital safety net and while operating with a deficit, it should be seen as essential infrastructure and a preventative investment that reduces spending in other sectors. Social housing is predominantly built, owned and managed by state housing authorities or community housing providers. At 30 June 2020 there were approximately 400,000 households living in social housing.[26] Social housing is allocated to very low and low income households in accordance to prioritisation policies. In most cases new tenancies are allocated to those with the most significant challenges such as those experiencing homelessness, domestic violence or complex needs.

Over time, this allocation strategy has increased the proportion of tenants with complex needs who require greater levels of support and rely on Centrelink benefit payments. At 30 June 2020, 84% of social housing tenants relied on social security payments as their main source of household income.[27] Social housing rents, which are based on a percentage of

[26] The Australian Treasury, Statutory Review, Operation of the National Housing Finance and Investment Corporation Act 2018, Final Report August 2021
[27] ibid

household income, result in a 'funding gap' between the revenue generated and cost of provision. This funding gap makes it difficult for the private sector to invest in social and affordable housing providers.[28]

This form of social housing will always operate in a funding deficit but an effective housing safety net is a better use of government funding than the additional demands that would otherwise be placed on specialist homelessness services, crisis and transitional housing, health services, community services and policing. The implementation of actuarial accounting would help to justify the expansion of social housing as a cost saving initiative across other sectors. A social housing calculator was recently released finding that each social housing dwelling adds $1.1m to the local economy over 40 years.[29]

The current allocation strategies present a growing risk of pockets of entrenched disadvantage. Strategies to support positive exits from social housing into home ownership and to diversify previous 'social housing estates' into tenure blond developments could improve the social cohesion of an area. This could enable CHOs to invest in new builds and/or the redevelopment of existing stock. A CLT using land transferred from state government could provide supported home ownership while enabling residents to remain part of their local community. This type of approach would still deliver the much needed social housing for those in desperate housing need while also working to diversify and address locational disadvantage.

Alleviating demand for social housing

There will no doubt be calls for a return to the examples of post WWII government led housing builds. The example of Housing Trust SA building whole neighbourhoods of worker housing to support the car manufacturing industry is a powerful example. While there is merit in these suggestions, it is unlikely that government will step back into the housing market in this way. Rather, it is more relevant to consider how government can achieve the desired impacts that these approaches were able to deliver; namely financially viable, well-located housing for specific cohorts that supported economic development and was relevant to local wages, in a way that is reflective of the current political and economic environment.

The Housing Trust SA development of worker housing meant that the rental returns produced an economically viable housing model. It ensured that industry had a supply of stable housed workers, well located housing was available near employment opportunities and that the housing costs were relevant to local wages.

The CLT model can provide both affordable rental and home ownership options. Once established, CLTs do not require ongoing subsidies and can expand to grow the affordable housing sector. They are not competing with the mainstream market as they can specifically

[28] ibid
[29] Nygaard, C and Kollmann, T. New tool estimates 40,000 new social and affordable houses will have $4.4 billion benefit, 3 October 2023

target those who fall within the existing housing gaps. This will provide an upstream housing solution that can reduce demand for social housing and frontline housing crisis services.

The current emphasis on key worker housing for health, education and policing employees reflects a recognition that without suitable housing there are flow-on impacts for government's ability to deliver essential services. This equally applies to other employment sectors, particularly low to moderate income earners such as aged care, child care, welfare and disability services, transport, retail and hospitality. These missing moderate workers are likely to be on a knife edge in the current housing market. If they are renters, they may be one rent increase away from unaffordability and / or homelessness. If they are forced to move, they may not be able to find another rental to remain in the area. If they are not already in the home ownership market, the likelihood of being able to save enough deposit has all but disappeared.

There are many stories of unexpected homelessness; people who never thought homelessness would 'happen to them'. The classic example in recent media coverage is a woman in her 50s who through divorce, illness or unemployment has suddenly found herself homeless - unable to compete in either the private rental or home ownership markets.[30] This 'slide' into homelessness will continue to create growing demand for social housing unless alternative stabilising housing models are developed that can fill the gaps. These are often people who will not have ongoing complex support needs as long as they can access suitable, affordably priced housing options and therefore avoid the need for social housing.

Swedish public housing model

In the post war housing shortage, a decision on Government borrowing taken by the Riksdag (Swedish Parliament) provided opportunities for municipalities to build good housing for everyone through the public housing companies owned by each municipality.[31] The buildings were light and spacious with surrounding playgrounds and green open spaces. These were followed by child care centres, libraries, and housing for older people, which were integrated into and created lively urban environments.[32]

Twenty years later, the government again intervened due to an acute housing shortage and through government funding, these public housing companies built over a million homes in ten years. This not only eased the housing situation but improved the standard of living. There continue to be over 300 public housing companies, owned by local municipalities and managed as limited companies.[33]

Thirty percent of Swedes live in rental housing and over half live in public housing - municipality owned rental housing. It provides good service, predictable housing costs and an opportunity to be involved in own housing determination. The Swedish example

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[30] Hamilton-Smith, L. Experts say Solving the Housing Crisis Could Take Decades, 2023
[31] Sveriges Allmannytta, Public Housing in Sweden
[32] ibid
[33] ibid

demonstrates 80 years of financial viability. It continues to deliver quality housing, responds to local housing needs and is able to innovate in response to emergent issues such as increasing construction costs.

Of note is the scope of the Swedish public housing model, which is significant enough to not require public subsidy. They fund themselves via a land rent based on land values.[34]

Community Housing Organisations can't solve everything

We need to be realistic about the capacity of the CHO sector. The expansion of the CHO sector due to large scale stock management transfer from state government to CHOs promised to deliver reform to the sector and better long term outcomes on people's lives.[35] The transfer enabled the states to access CRA to help fill the funding gap with rents changing to include 100% of CRA. The creation of Housing Australia enabled CHOs to refinance debts at lower interest rates enabling some investment in new initiatives. However, while the growth of the sector may enable innovative partnerships and projects, there seems to be unrealistic expectations of how much risk and innovation the CHO sector can take on. CHOs cannot be expected to provide crisis, transitional, social and affordable housing and then also respond to fill the increasing gaps in the mainstream housing market and remain financially viable.

While there is no doubt that CHOs genuinely want to deliver positive outcomes for their tenants and communities, well intentioned enthusiasm is perhaps waning as the reality sets. Some anecdotal reports from within the CHO sector suggest high staff turnover and levels of burnout. The escalating housing crisis is having a double impact for staff with distress at the lack of crisis and affordable accommodation for client groups and the need for affordable housing for sector workers themselves.[36] Meanwhile other examples, such as Evolve Housing's partnership with PPi, demonstrate the ability for innovative partnerships to deliver new housing in desirable locations.[37]

In regional areas or areas where there is not a large existing stock of social housing or an appetite from developers for projects, community led housing initiatives can fill the gap and respond to local housing needs.

The 2021 Treasury Statutory Review of the Operation of the National Housing Finance and Investment Corporation Act 2018 has a number of relevant recommendations regarding the expansion of the investment mandate beyond CHOs and the role of Housing Australia to build confidence in the affordable housing sector to encourage private financiers.[38]

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[34] Private correspondence with Sveriges Allmannytta's Per Spollander reveals that the rent is charged on land values, not land price (which include speculative pressures). 28/4/23
[35] NSW Communities & Justice, Management Transfer Program, 2019
[36] AHURI, Investigative Panel into building and retaining an effective homelessness sector workforce, October 2023
[37] Evolve Housing Media Release, 9th October 2023
[38] The Australian Treasury, Statutory Review, Operation of the National Housing Finance and Investment Corporation Act 2018, Final Report August 2021

Of particular relevance is Recommendation 5:
" *The Review recommends that NHFIC's Investment Mandate be amended to extend Housing Australia the ability to lend to other not-for-profit providers of social and affordable housing that are not registered community housing providers, where it is satisfied that the risks of doing so are manageable."*[39]

The Review also acknowledges that the $2 billion in institutional investment via the bond aggregator is miniscule compared to the estimated needs for $290 billion over the next two decades. The extent of the problem, and therefore the scope of the required solutions is much greater than what can be delivered by the CHO sector.

Affordable Housing

Defining and refining 'affordable housing'

The need for statutory definitions of affordability was highlighted in our submission to the HAFF legislation. This was quoted in the HAFF stakeholder report as:

> *"Grounded .... flagged the need for the legislation to include an income-based definition of affordability, such as the 30:40 rule (housing costing less than 30 per cent of income for households in the bottom 40 per cent by income), rather than being pegged to market rates of rent."*[40]

Our submission went on to say, with the pressure in the system, an affordability definition is required for the bottom three quintiles.[41]

Any large scale affordable rental housing incentives should reflect on lessons learned from the National Rental Affordability Scheme. NRAS saw the approval of more than 38,000 new properties nationally. The 'What's next for NRAS?' report by CHIA NSW in 2021, showed that in NSW all of 3161 properties developed by CHOs will be retained and continued to be managed as affordable housing, whereas all but 24 NRAS properties developed by other investors will leave the affordable housing system, including 3197 properties that are located in areas that are unaffordable even to moderate income households.[42]

With the HAFF only providing 30,000 dwellings, less than NRAS, it emphasises the pressure on the market to deliver affordability.

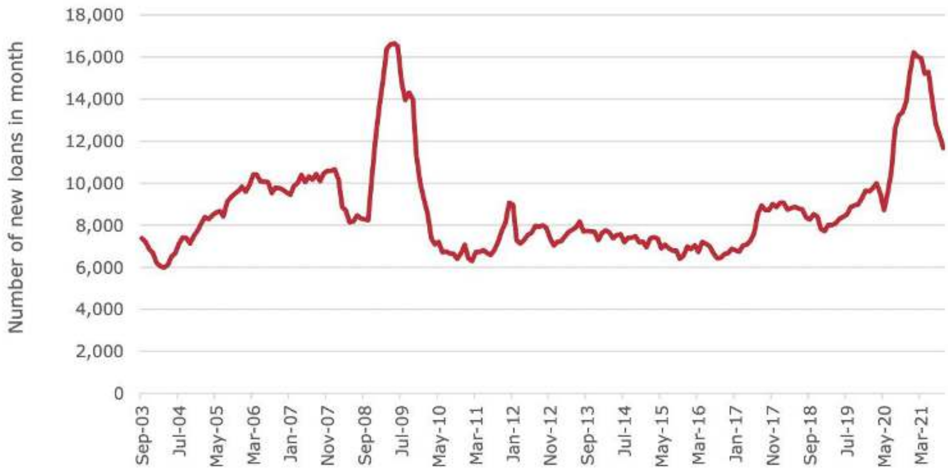
[39] ibid, p.9
[40] Commonwealth Economics Legislation Committee, Report on the Housing Australia Future Fund Legislation, 2023, p.68
[41] Fitzgerald K, Grounded Submission to the Draft HAFF Legislation
[42] CHIA NSW, 'What's next for NRAS?: Community housing leading the transition', April 2021

Ineffective subsidies need to be redirected

Government intervention in the housing market has added fuel to the fire of the housing crisis. It is widely acknowledged that the 1999 reforms to Capital Gains Tax, which enabled investors to offset losses against capital gains, made speculative housing investment safer and more profitable. This triggered the rampant growth in national land values.[43]

The various forms of First Home Owners Grants and Stamp Duty Discounts emerging over the last decade have acted to confound affordability outcomes.[44] This follows a redirection of savings into higher purchase costs, triggering bidding wars. Of note is the ramping of grants during housing downturns, in effect luring first home buyers in to establish a pricing floor during periods of significant market instability. The following AHURI graph demonstrates this in 2009 and 2021:[45]

Figure 4: FHBs: new loan commitments, seasonally adjusted



Source: ABS (2021a).

Recent data shows that in 2023 almost a third of first home buyers needed to access Housing Australia Home Guarantee Schemes to enter into the housing market; an increase from 1 in 7 the previous year. This is attributed to more places available in the scheme and the more challenging housing market.[46]

Ironically, these demand side grants act instead as a seller's subsidy. The main beneficiaries are sellers and, specifically, developers, whilst households and young people lose out. Worse, much of this has been channelled to urban fringes of cities, where developers who engage in scarcity engineering are rewarded with additional demand.

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[43] Ryan-Collins, J., & Murray, C, When homes earn more than jobs: the rentierization of the Australian housing market. *Housing Studies*, 1-30, 2021

[44] Martin, C. et al, Assisting First Homebuyers: An International Policy Review, AHURI, 2021

[45] ibid, p28

[46] Van Onselen, L. Albo feeds young Aussies into property meat grinder, MacroBusiness, 10 Oct 2023

It is in this context governments face a self-perpetuating increasing budgetary demand for subsidy products that are counterproductive to long term solutions. With recognition that FHOG and stamp duty discounts could be better invested in shared equity ventures,[47] we see CLTs as the most appropriate form of shared equity. The annual expenditure on government grants has reached $3 billion annually, with subsidy rates escalating dramatically in recent years.[48] Sending this money instead towards the for-purpose industry can provide a rebalance to the preceding advantages property investors enjoy and the financialisation of housing this encourages.

It must be recognised that housing affordability thresholds, whether that be for grants, discounts or Help to Buy schemes, are often increased. The Victorian stamp duty discount started at $600,000 (2013) but had increased to $750,000 by 2019. Such increases should be aligned with wage growth, not pricing.

Shared equity as a tax avoidance scheme

With the popularity of shared equity gaining, we are concerned about the number of new products entering the market under this banner. We are particularly concerned that APRA is approving products that seem to be little more than a workaround to avoid paying land tax.

The following products should be investigated for their demand side inflationary impact:

- Midkey - Based on a homeowner's existing housing equity, a no repayments loan is made available with a deferral fee charged at loan amortisation. The payback to Midkey is between 25 - 50% of the capital gain.
- Blackfort - Quickly rolled out with the permission for granny flats seen as a supply side solution. They charge a higher interest rate as a platform lender. No detail available. Potentially linked to a Cayman Islands based crypto company.
- Hope Housing - A shared equity product for essential workers. It does assist key workers to access housing closer to work, so there is some public benefit. However, its impact in adding to the pricing cycle is of short term assistance.

This product imbalance will only continue with the expansion of the fractionalisation of housing investment, where investors are able to purchase a $2,000 interest in a property via a smart contract administered via blockchain.[49]

As the links between platform finance, geospatial analysis and property tech grow, a national housing plan must recognise the distinct advantage this provides to capital over the homebuyer. The greater the access to capital, the greater public subsidy will be required over time. APRA should not be permitting such products to intensify asset gains in an already stretched market.

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[47] Preference should be given to those shared equity programs that engage in subsidy retention through an affordability lock.
[48] Martin, C. et al, Assisting First Homebuyers: An International Policy Review, AHURI, 2021, p44
[49] Zunino, A. The Future of Tokenisation and its Impact on the Industry, 2023

Tax Reform

Vacant land and housing tax

Government must investigate the importance of penalising lazy property owners who hold sites empty. It is paramount that we measure vacant land and housing more effectively - particularly during an era where housing supply has been central to the government's housing focus.

Widely reported vacancy statistics only include advertised vacancies. These do not include sites held as speculative vacancies, or held up in legal limbo.

Such a vacancy tax is the most immediate policy solution that could bring thousands of vacant and under-utilised homes onto the market, pushing down both rents and prices. This charge should rise over time if the vacant site remains.

A comparison must be made between Vancouver's highly effective vacancy tax (where vacant homes dropped by 26.5%)[50] and the Victorian Vacant Residential Land Tax, which has been implemented in name only.[51] Recent expansions of the tax to cover all investment owned land in Victoria[52] will need to be backed up by serious compliance.

Action: A Federal vacancy tax based on abnormally low utility consumption (ie water), charged at 1% of the site value. All revenues raised are to be hypothesised towards a CLT start up fund.

Capital gains discount

The CGT discount be removed for interest only loans. Interest deductibility could also be wound back for property flippers who sell within three years. Government should also act to reduce the CGT deductibility from 50% to 25% immediately.

Action: Government to remove the CGT discount for any property sold within 3 years.

Self managed super funds

The relatively recent capacity for SMSF investment in the residential sector must be curtailed or removed altogether. Any SMSF investment in residential should be limited to for-purpose housing developers that are delivering 100% affordable housing projects. In this way, SMSF investments could be channelled towards younger generations who were not able to buy before the introduction of the 1999 CGT discount.

Action: Legislate to incentivise SMSF residential investment streams into dedicated affordable housing projects, with a particular focus on affordable rental supply.

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[50] St Denis, J. Data Shows Taxing Empty Homes Works, 2022
[51] Fitzgerald, K. Speculative Vacancies 10 - The Persistent Puzzle, 2020
[52] Roonie,K. & Eddie, R. Knock Out Land Banking, 2023

Land Supply & Planning

The edifice of housing policy - that supply will trickle down to provide more affordability - has failed to materialise after more than 20 years of policy focus. This has placed immense pressure on both renters and first home buyers.

After decades of answering to the beck and call of the property lobby's demands, the nation's housing market is on life support. The following issues are placing further pressure on the housing market:

1. Land supply is orchestrated to deliver maximum profitability
2. Housing supply is oriented towards mid to high priced dwellings
3. Build to Rent ignores the market segments most needing supply - low to moderate income earners
4. AirBnB delivers higher returns than the rental market
5. Moderate income earners are missing out on housing security

Land supply

Most concerning for home buyers is that the market power of developers is largely unchecked.

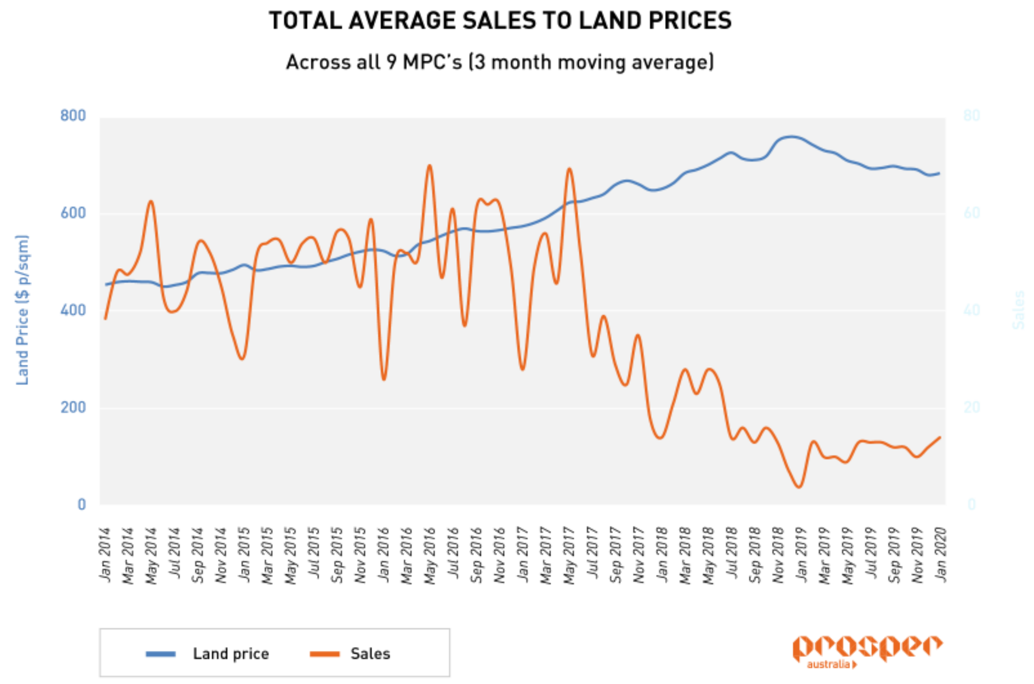
This begins by recognising that land ownership delivers considerable market power to those that control 'location, location.' The tax and planning acts should counter this power. In the absence of this recognition, there needs to be a concerted effort to champion community led housing (CLH) that has a *for-purpose* rather than a *for-profit* focus.

Algorithms offer an edgy advantage to a developer's business model, sculpted to scrape housing data such that they gain first mover advantage. Such market know-how leads to a convergence of data points, such that the industry can act in concert without the need for covert meetings.

This was demonstrated in the analysis of nine master planned communities over the last decade in the Staged Releases report.[53]

In mid 2017, with clearance rates falling across the country and days on market rising, the following reduction in supply occurred across nine unrelated developments controlling 110,000 housing opportunities.

[53] Fitzgerald, K. The Staged Releases report - Peering Behind the Land Supply Curtain, 2022



A 48.7% reduction in supply occurred in just a few months. Prices continued unabated. Government has shown no interest in acting upon this breach of the social contract. Literally hundreds of press releases have been written by the property lobby saying that supply will make prices more affordable. However, no office bearer is holding them accountable.

Based on this insight, recent interest rate rises could be expected to result in tightly managed supply levels in master planned communities. Algorithms collecting data on falling clearance rates and rising days on market will have dictated a similar supply withdrawal to what we witnessed in 2017 - right at the time such supply could affect prices.

Blind faith in the market still requires effective oversight, particularly in monopolistic markets.

We recognise that developers have to meet fiduciary duties to shareholders and banks, alongside their own self-interest as CEO's. However, these should not outweigh the social contract of rezoned supply delivering on affordability. Housing policy has not acted accordingly to ensure an effective public interest outcome.

The market failure inherent in this practice of staging releases makes it difficult for renters to save and enter housing ownership.

Rental affordability is further undermined by the very nature of the master-planned development model. The production pipeline is heavily weighted towards owner occupiers over investors, meaning that the supply that is released to the market largely sidesteps the potential for rental supply. This undermines staircasing.

Conversely, closer to town we see the same pursuit of capital gains driving the provision of penthouse apartment developments. The negative gearing write-offs are also more substantial, encouraging the development of housing products that are tailored more closely to investors than actual housing needs.[54]

It is within this context that the call to build 1.2m homes in 5 years raises questions. Continued focus on faster planning approval times acts to distract from the scarcity engineering presented above. Market conditions are the most important supply determinant.[55] If prices are rising, supply will increase. If not, supply will stagnate. This is the fundamental contradiction at the heart of the trickle down supply argument. Without recognising this, best practice housing policy suffers. Policy continues to rely too heavily on market forces that are tilted to favour economic rents over affordability.

With this in mind, we see that the only way the 1.2m homes can be built is if CHO's can massively ramp up supply. This is the market segment that has a working relationship with financiers who understand the importance of affordable housing and be more accommodating to prices returning to long term averages. If affordability is to be enabled, some 60% of the 1.2m homes must be priced at a 20-40% discount on today's prices.

A more balanced approach would see government entities investigating such strategies. Queensland's Growth Areas Monitoring Team can write 200 page documents without once questioning what happens to supply once rezoning occurs. Agencies like them should be analysing how significantly supply responds to softening market conditions.

Housing Minister Julie Collins answered a question on the issue of developers manufacturing scarcity by altering supply according to market conditions at the 2023 CHIA conference.[56] She responded that her Ministry was interested in reforms that assisted a smoother supply delivery to the market.

Oversight must be provided to ensure a Minimum Viable Supply Rate is maintained by developers - delivering an average 5% supply of total lots p.a over three years. A typical development is expected to sell out in 20 years. However, based on recent selling rates, some projects in Queensland are expected to be still selling in 60 years time.[57]

Governments are in their rights to tie any future infrastructure spending to the Minimum Viable Supply Rate. The developers studied were willing to crunch supply from 5% to 2.95% when market conditions softened. However, when the market was buoyant, supply rose well above the 5% rate.[58]

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[54] Rachwani, M. Sydney Families are Being Priced into Apartment Living But Even then their Options are Limited, 2023
[55] Rowley, S., Leishman, C., Olatunji, O., Zuo, J. and Crowe, A. (2022) Understanding how policy settings affect developer decisions, 2022
[56] Housing Minister Julie Collins, Address to the Chia Victoria Conference, 2023
[57] Op cit, Fitzgerald, 2022
[58] ibid

How is supply to impact the market if such scarcity engineering continues? This is compounded if negotiations for a new $400m train station are underway.

At what point in the property cycle is supply meant to impact prices?

Additionally, an escalating land tax should be applied on land banks that aren't meeting the 5% supply rate.

Furthering the penalties for property hoarding, **the Vacant land interest deduction** must be expanded to include company structures. In 2018, a Treasury consultation on Enhancing the integrity of tax deductions in relation to vacant land was undertaken. The consultation paper stated "This is to address integrity concerns that deductions are being improperly claimed for holding vacant land where the land is not genuinely held for the purpose of earning assessable income."

Whilst the imperative was made clear, the draft consultation found: "The measure also does not apply to corporate tax entities, managed investment trusts, public unit trusts and unit trusts."[59] The law passed but only acted to impinge upon small-time land users. Those with already considerable market power were in effect protected by the change.

The Housing and Homelessness Plan must ensure the National Housing Supply Council monitors supply rates post rezoning. A rubric is to be developed for master planned communities to meet a 5% supply average over a rolling three year timeframe in order to qualify for infrastructure grants and home buyer subsidies. Further, remove the vacant land interest deductions for all corporate entities.

Build to Rent

Build to Rent has attracted significant fanfare as another supply side solution to housing affordability challenges. The main achievement so far has been the scuppering of tax provisions designed to protect local developers from international investors. The rental results appear to reflect a luxury rental product suitable for mobile middle to upper income earners.[60] This may remove some rental stress from those rental segments, but will not impact the section of the market most in need - low to moderate income earners.

This shows how the housing market follows market dictates to deliver products that deliver greater returns to their investors. It reiterates that relying on the market system to deliver affordable outcomes is a design flaw when market power is left unchecked.

Both NSW & Victoria handed the BTR sector multi-million dollar tax subsidies with precious little oversight. An attempted legislative motion was raised by Victorian Greens leader Samantha Ratnam for a minimum occupancy rate of 90%. This was designed to offset the

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[59] Treasury Laws Amendment (2019 Tax Integrity and Other Measures No. 1) Bill 2019, Legislation, p14.
[60] Boulter & Winter, BTR - Can it live up to the hype?, 2023

market power the BTR operator may have in a location.[61] This was quickly voted down and has never been mentioned again. Addressing this market power is vital, since such rental supply will never impact housing costs if rental supply can be matched to demand - and never oversupply it.

Locals first - AirBnB policy

Compounding the pressures, AirBnB returns have outperformed the rental market, incentivising investors to switch supply into this unregulated field. *"When compared to a long-term rental on Domain.com.au for a similar property advertised at $700/week, the MadeComfy property outperforms by 60.1% in the six months to March 2023."*[62]

Byron Bay provides further insight into the AirBNB dilemma. *"Byron shire has been a petri dish for the open market. This community exemplifies everything that is wrong with an unregulated property market"* says Byron shire councillor and lawyer, Mark Swivel. [63] An estimated 35% of housing stock is in the unregulated short term holiday rental market while traditional accommodation such as hotels experience low occupancy rates of around 60% - 70%.[64]

As long as the market can deliver higher returns via short term holiday letting, even if annual caps are introduced, these properties are unlikely to return to the long term private rental market.

An effective Housing and Homelessness Plan would employ economic futurists, who with a strong understanding of economic rents, could help establish policy ahead of new technology so that problems are not magnified further in time.

Government must recognise that the returns available in AirBnB have had a significant impact on rental supply, particularly in tier 1 tourism towns. The federal government must incentivise states to enact planning law that prioritises the rights of local communities first.

The Locals First policy would see a three year median of rental supply pre-2015 calculated (when AirBnB came to prominence). As an example, the typical proportion of rentals is about 33% of all dwellings. This would be compared to the current supply of rentals, say in a coastal tourist town of some 7%. A pathway would then be drawn between the two, aiming to return supply near where it was relative to population growth.

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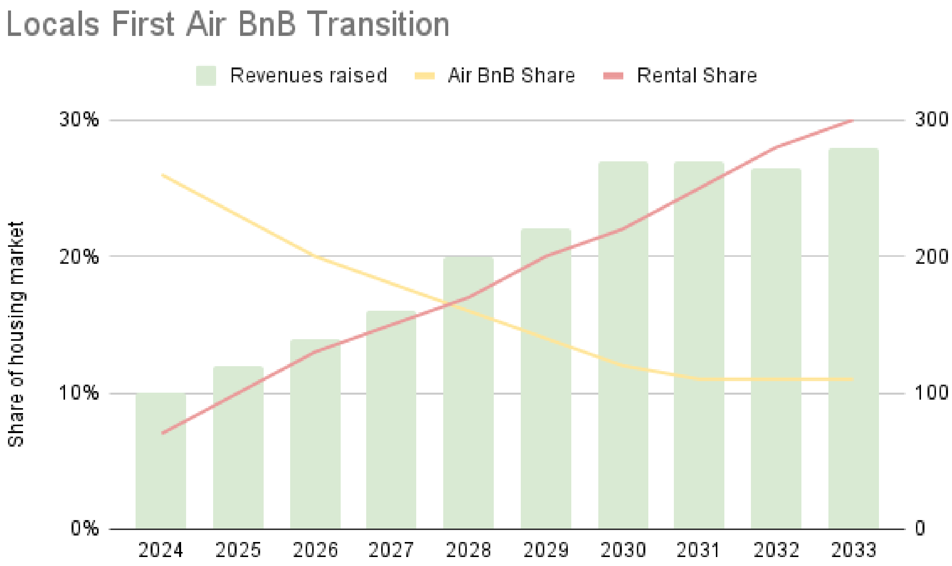
[61] Victorian Parliament, Windfall Gains Tax and State Taxation and Other Acts, 2021
[62] Made Comfy, What is the Earning Potential on Sites like Air BnB, 2023
[63] Chenery, 'A lot of money at stake': investors irate as Byron council pushes to cap short-term rentals like Airbnb, 2022
[64] ibid



The State would be encouraged to create **a zoning for short term rentals** (STR). This STR zoning right would be auctioned off. The revenues would be hypothecated towards housing - preferably in the CLT sector. Over time the amount of STR zoning rights would be **tapered downwards**, inferring that more stock would be freed up for rental. By doing this over time, AirBnB investors will have time to switch their focus to where needed. A related precedence exists in Sao Paolo, where the auctioning of development rights occurs.[65]

We feel this policy would have a more immediate impact on rental supply and avoid the typical delaying strategies involved in the debate over 60 - 90 day limits for nights rented. It delineates the problem in black and white and provides a clear pathway back to ensure the longevity of a town, a community. Census data fields should also be adjusted for a more accurate understanding of short term rentals under the Tenure Type.

Further considerations to support a National Housing Plan

Further policy refinements include:

Local government role in housing

Local councils in a number of states were required to develop Local Housing Strategies. These strategies identified housing needs, current housing stock and local opportunities. However there was not accompanying funding to implement the strategies. Land audits identifying underutilised government land are key.

Particularly in regional areas where there is a likely combination of budget restrained councils, a lack of significant development opportunities, low or no social housing presence and mounting pressures on the local housing market, community led housing should be

[65] Davis, R, The Benefits of Auctioning off Development Rights, 2021

prioritised. This could include Regional Housing Hubs to identify and unlock local housing solutions and funding support for the development of community housing organisations who are not registered CHOs but deliver affordable housing

Action: Affordable housing planning applications are to be fast tracked through council, regardless of their investment size. Local councils are resourced to implement Local Housing Strategy initiatives.

Mortgage lengths

Legislate that **30 year mortgages are the maximum timeframe** allowed. This will ensure land prices cannot increase even further beyond wage growth. This should be **a matter of urgency** before buyers are led towards multi-generational mortgages that countries like Japan endure. With wages so low and governments tiring of wasting billions in demand-side grants, the expansion of mortgage lengths appears the most likely candidate to **keep the music playing.**

Action: Limit mortgage lengths to 30 years in length - urgently.

Interest only loans

Interest only loans must be reduced in proportion, if not banned outright. They also must be limited to first home buyers, rather than the domain of property flippers.

Action: Limit interest only loans to genuine first home buyers only.

Macroprudential lending

The RBA's efforts to reduce the number of loans to investors in the period 2018-19 must be seen as a rare win in effective housing policy. Further analysis of this process must be undertaken, in particular its synergy with successive interest rate rises.

Action: Develop a series of metrics that can inform when macroprudential lending should be enacted to curtail market fervour. Ensure that the RBA is much more proactive in activating this policy lever.

First home buyer grants

If such grants are to continue, it must be ensured that banks can't include the grant as income. This facilitates higher loan borrowings and further inflationary pressures that lock renters out of upward mobility. Grants or concessions should only be enabled in locations where the Minimum Viable Supply Rate is being met by developers.

Action: APRA to legislate and provide oversight such that FHOG's are not included as income by banks.

Commonwealth rental assistance

Expand the CRA threshold towards housing supply provided by the wider for-purpose housing industry. Ensure that such housing developments have an affordability lock in their constitution. This is important for over 55 women who may rely on such income to meet mortgage requirements but are limited to buying from CHOs.

Action: Widen the CRA qualification threshold to include for-purpose housing providers.

Public ownership of construction accelerator

To assist in the supply of affordable construction in an emergency situation, government should buy and lease out 3D printed concrete printers per state. They are having an impact in the northern hemisphere.[66]

Action: 3D printing machines would be made available for affordable hire by CHOs and CLH.

Construction input alternatives

With the Construction Costs Index[67] increasing by more than double wage growth, an urgent need for competition is required in construction inputs. In regional areas, earth works regulations should be updated to enable greater uniformity. Environmental regulations should consider not just the thermal potential of a product, but also its shipping miles. If local clay, straw or timber can be sourced sustainably, it should be encouraged through the relevant code.

Action: Assist states to loosen planning regulations so that locally available and sustainably sourced building inputs, including traditional means of housing construction such as earth works, are approvable by building surveyors.

Conclusion

The Housing and Homelessness Plan offers a generational opportunity to provide a housing vision that meets the challenges of today.

By incorporating the policy recommendations outlined in this report the nation will set a path towards least cost housing provision that maximises climate flexibility alongside fairness.

Community Land Trusts offer a proven model of housing that can address unmet housing needs in a manner that meets intergenerational needs. Such affordability can be perpetual and scalable. This can be enhanced with the expansion of Housing Australia's remit to encourage a wider investment stream into the affordable housing ecosystem.

An effective CLT movement will help renters and home buyers segue into more secure ownership, reducing rental pressure. It will also provide hope that a fairer pathway into housing is possible. The impact this will have on the mental health of first home buyers is important and worthy of immediate action.

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[66] McCluckey, M. 3D Printed Houses to Help Solve the Housing Crisis, 2022
[67] Core Logic, Growth in Australian Constructions Costs Finally Show Signs of Easing, 2023

While recognising the need for government to work with industry groups, the government's role is to develop policy and enable conditions that benefit *all* Australians.

We look forward to a future when the housing policy of either side of politics does not read like it was written by the property lobby, but instead recommends policies that represent the genuine public interest.

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