



Grounded

Community Land Trust Advocacy

**Submission to the Community Consultation for the
Greater Adelaide Regional Plan (GARP) 2023
Planning and Land Use Services, Government of South Australia**

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Grounded

Bringing community led housing to fruition

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Executive Summary

Grounded Community Land Trust Advocacy (Grounded) warmly welcomes the opportunity to provide a submission to the GARP 2023. South Australia has a well deserved reputation as an innovative and progressive state. We encourage the GARP to continue that tradition and to fully leverage the opportunities presented in the development of the plan to maximise the benefits for current and future generations of South Australians. This is an opportunity to create a more socially equitable and cohesive community and to minimise the impacts of locational disadvantage. It is vital our communities become greener and more resilient in adapting to climate change.

Building a strong, smart, clean, regenerative economy will ensure South Australia is well placed to face future global uncertainties and for government revenue to be able to fund essential infrastructure. Underpinning all of this, is the need for a greater range of appropriate housing in the most suitable locations. Secure housing provides the stable foundation for people to build their lives, grow their families and build strong and resilient communities.

Grounded believes that along with effective policy levers at both the state and federal level, that community led housing provides the best approach to balancing competing interests and long term positive outcomes. We suggest that GARP adds intergenerational impacts into their decision making and outcomes measurements. Too many interventions benefit only the initial subsidy recipient rather than contributing to long term, community benefit. It is time to restore a better balance between the individual resident and the community, between local wages and housing costs. It is paramount that policy and planning decisions are made for the benefit of the whole community rather than those who are likely to profit most.

If Community Land Trusts (CLTs) were championed by a visionary government agenda and coupled with philanthropy, impact investment and tailored mortgage instruments for residents, CLTs and community led housing projects could become the preferred vehicle by which the progressive aspirations of the GARP are materialised in South Australia.

Key Recommendations

1. Prioritise community-led housing approaches to ensure housing meets local priorities and supports long term amenity and benefits
2. Support the establishment of a community led, affordable housing ecosystem
3. Provide funding to a CLT establishment fund to seed a statewide rollout
4. Develop appropriate financial instruments for future residents to obtain CLT mortgages
5. Focus on perpetually affordable housing, not just first resident or time limited schemes
6. Include long term intergenerational outcomes (affordability / climate / cohesion / equitability) as part of key outcome considerations
7. Redirect individualised housing subsidies into the establishment of a perpetually affordable housing ecosystem
8. Limit greenfield urban sprawl to preserve arable land, and restrict the expansion of satellite city growth to existing boundaries
9. Prioritise brownfield urban renewal and infill to achieve high amenity 'Living Locally' modern micro villages
10. Give NFP housing organisations priority access to Renewal SA land-banked land, before offering it to the open market
11. Use government levers to reduce private developer land banking
12. During economic downturns, governments should prepare for a land buying spree to rebuild the public land bank

About Grounded Community Land Trust Advocacy

About Grounded

Grounded Community Land Trust Advocacy is a not-for-profit registered charity established to advocate, incubate and accelerate the development of Community Land Trusts in Australia. Four members of our national Board are South Australian residents.

Our Advocacy

We are living in a society where two million property investors have control of both the housing market and the politics surrounding it. This has caused a desperate situation where many young people can't afford to leave home until well into adulthood; where solo mothers and their children are living in cars; and where retirees are finding long-term refuge in caravan parks.

Meanwhile, the impacts of climate change and environmental breakdown ravage more and more communities across the country. Australians are growing increasingly aware of the importance of building and sustaining strong and resilient communities that prioritise fairness, equity, and responsible land stewardship.

We want to ensure that a diverse mix of housing models is possible in Australia. We urgently need a citizen-led response to the hollowing out of a core human right – a place to call home.

Community Land Trusts offer a much-needed alternative to the broken buy/rent duopoly through the delivery of an affordable, equitable and sustainable model that prioritises people and the planet.

Indigenous Acknowledgement

Grounded acknowledges and pays our respects to all 500 First Nations throughout this land and honour the stewardship demonstrated over 60,000+ years. We acknowledge that sovereignty was never ceded.

Community Land Trusts

What is a Community Land Trust?

Community Land Trusts (CLTs) are a for-purpose housing model focused on delivering housing that meets key community needs and provides the most cost effective affordable housing.



Image: Grounded

The CLT establishes a Trust to own the land and steward the land in perpetuity. The dwellings, sitting atop the land are developed by and owned by the residents themselves. This can be through a partnership with a Community Housing Organisation, a rental housing cooperative, an owner occupier housing cooperative, or as stand-alone private dwellings. A CLT may also elect to include community facilities, commercial buildings or farming land in its asset portfolio, dependent upon the needs and aspirations of the community it serves.

The resident pays an ongoing land rent to the CLT for the ongoing use of the land on a 99 year lease. The resident only needs to borrow for the value of the house. By separating the land and dwelling, the upfront cost to the resident is significantly reduced. At the same time, the resident prospers from modest wealth generation benefits of home ownership, stable housing tenure and the motivation to deeply embed oneself in the social, cultural and economic life of the local community.

This requires some nuance from government in separating the land from improvements in property titling. This form of innovation should be welcome in the state where Torrens Title was developed.

The nature of the CLT model sees the development cost shared between funds raised by the Trust (often via government, philanthropy and impact investors) and the resident (via mortgage). This **delivers a scalable return for government investment** that operates in the knowledge that any future property sale has affordability locked in place. This **affordability lock** is enshrined

within a triple check formula: 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.

Current government run shared equity programs 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; third and fourth generation buyers enter at even higher market prices.

CLTs will assist those missing moderate income earners now priced out of the open market 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. Missing moderate income earners, who once could afford their own homes with a \$50,000 deposit, are now able to enjoy security of tenure.

A CLT embeds perpetual affordability, environmental sustainability and land stewardship into its core purpose. By separating the land and dwelling, the cost to the resident is significantly reduced, whilst still providing the benefits of home ownership. The resident only needs to borrow for the value of the house.

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 provide competitive returns on investment in terms of public investment, affordability and social cohesion. Demand-side subsidies such as the First Home Owners Grant (FHOG) put upward inflationary pressures on house prices, exacerbating housing unaffordability over the long term. By contrast, the UK experience has shown that initial subsidies provided by the government to establish a CLT ensures that the taxpayer funded subsidy is retained within the CLT structure and the affordability benefits remain available for future generations of residents.

Similarly, with less spent on land, CLT residents have more discretionary budget for development of climate change attuned housing. This could include a fire bunker in bushfire prone regions, or hurricane proof housing.¹

¹ Applegate, A. [CLTs are Building Disaster-Resilient Neighborhoods](#), 2022

The UK CLT Network has helped facilitate the growth of CLTs from just a handful at the time of the GFC to nearly 600 CLTs currently.² Similarly impressive growth is happening in the USA, spurred on by major donations from super philanthropist Mackenzie Scott.^{3 4}

In Australia, there are numerous groups diligently working to establish CLTs in their regions. With a few minor changes to housing policy at state and federal level, we could see the establishment and accelerated growth of the CLT sector replicating the outcomes achieved in the UK and USA.

South Australia has a well deserved reputation as a progressive state, leading Australia in social and environmental innovation and the crafting of solutions to complex and pervasive problems. Lower land and housing costs reduce the cost of living pressures for residents and tenant businesses. This thereby frees up time to tend to a home, business or family, nurture the land it sits on, and contribute to community in meaningful ways.



Image: Grounded

² UK CLT Network, [Policy & Vision](#), 2023

³ Cohen, J. [Mackenzie Scott Gives \\$10m affordable homeownership in Seattle](#), 2023

⁴ Menderson, J. [Historic Contribution](#), 2023

Impacts of Community Land Trusts

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.

CLTs and community led housing projects can also provide a much more effective way to incorporate place-based factors, such as heritage considerations or preservation of high value natural assets. Connections that are deeply embedded within the fabric of the local community can inspire generous contributions from philanthropists, impact investors and enhanced relationships between communities, local councils and local MPs. This compares to government run shared equity programs that typically struggle to tap into a passionate vein within the community.

CLTs offer the government and the Australian public the most cost-effective affordable housing model available. CLTs provide competitive returns on investment in terms of public investment, long term affordability, and greater social cohesion. Unlike demand-side subsidies such as the First Home Owners Grant (FHOG), **a single once-off government subsidy to initiate a CLT is retained within the CLT structure over time. The benefits can perpetually 'pay it forward' to multiple generations.**

Research from the UK & USA indicates that CLTs:

- [Deliver value for money](#): CLTs and community-led homes that receive public investment of land or capital have been shown to deliver \$1.8 of benefit for every \$1 invested, rising to \$2.70 when health, wellbeing and income distribution benefits are factored in. This increases to \$3.10 over 30 years. **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.**⁵
- [Have been built to high environmental standards](#): With less spent on land costs, residents have greater budgetary scope for carbon emissions reduction and climate change preparedness. The UK experience has demonstrated that CLTs reduce CO2 emissions by 15-50%. Annual household energy costs were reduced by \$260 – \$1300 when measured against a typical UK house.⁶
- [Are more resilient to downturns in the housing market](#): the U.S foreclosure rate for CLT homeowners was one-eighth the national average in 2010 during the Global Financial Crisis (GFC).⁷ Similarly, during the COVID-19 crisis, homeowners with market-based loans were over 8 times more likely to face delinquency and foreclosure than CLT homeowners.

⁵ Colquhoun, C. Housing by the Community, For the Community, 2022

⁶ Applegate, A. CLTs are Building Disaster-Resilient Neighborhoods, 2022

⁷ Thaden & Rosenberg, Outperforming the Market - Delinquency & Foreclosure in Community Land Trusts, 2010

- [Reduce planning risk by countering NIMBYism](#): CLTs can often gain local support for new development where private developers fail.

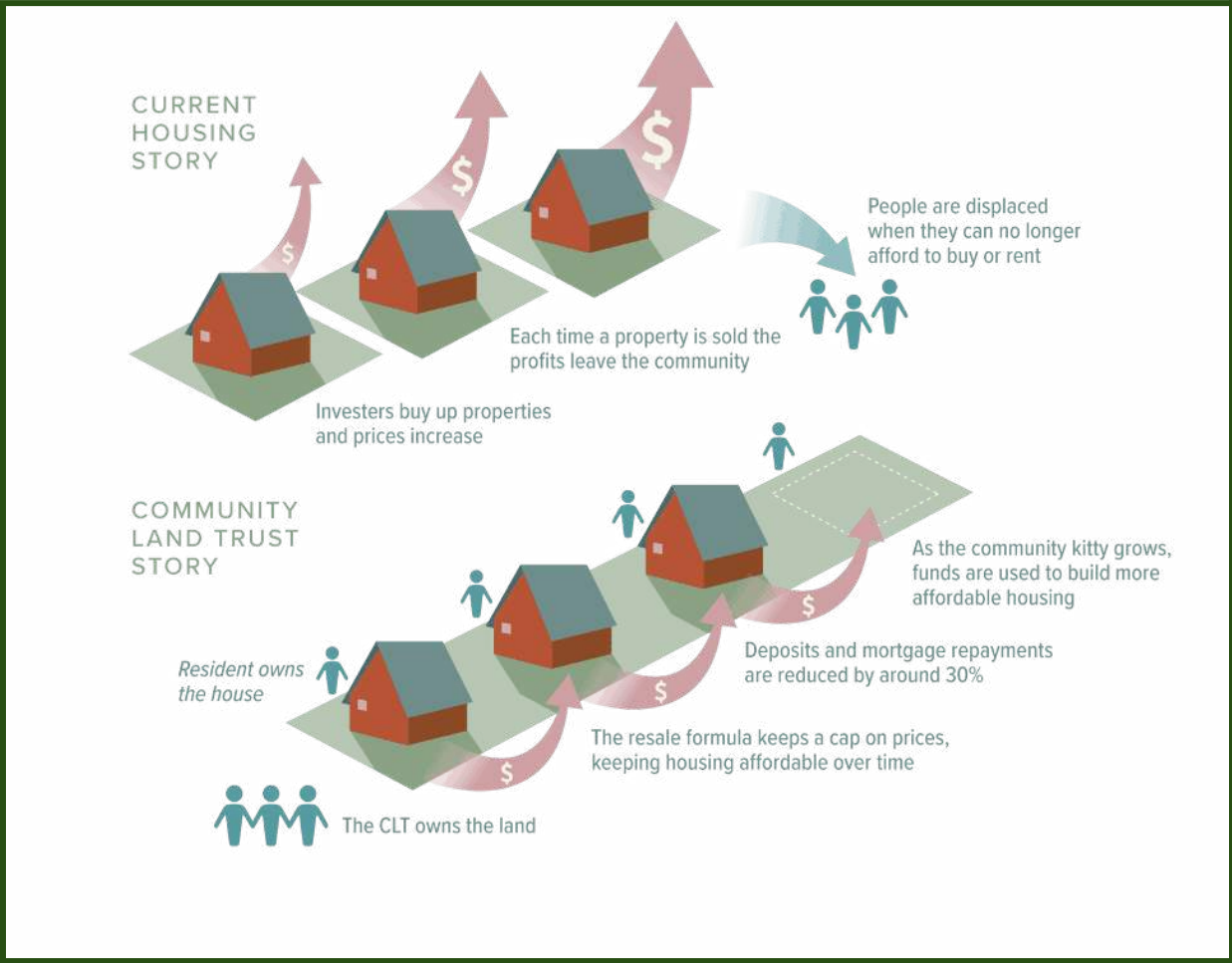


Image: Grounded

Part 1. How should Adelaide grow?

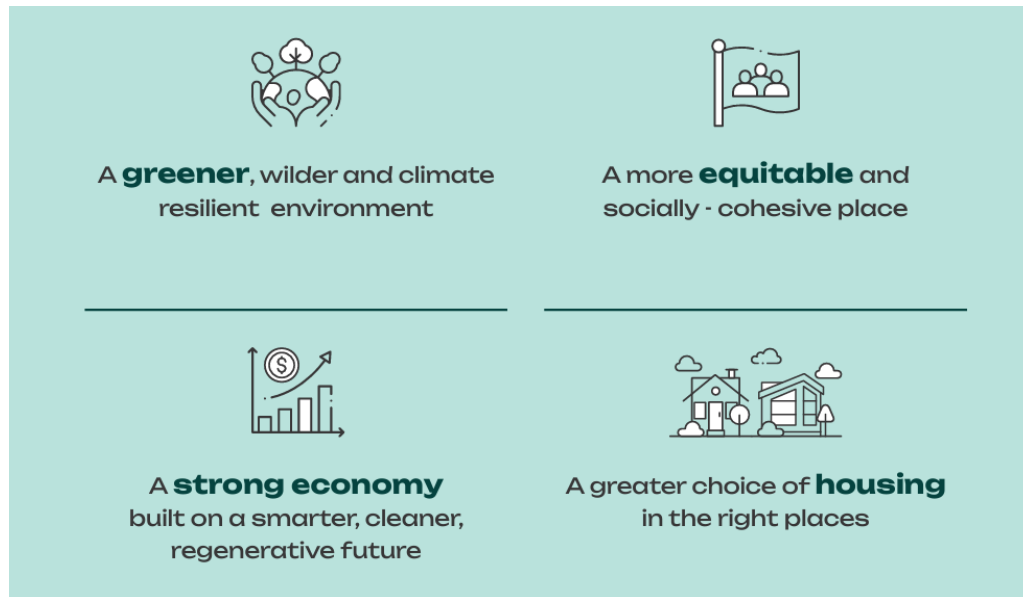


Image: GARP 2023

Current and future generations

Grounded commends the GARP's key focus areas upon housing availability & affordability, liveability, the climate crisis, ecological sustainability, food & water security, social inequality and indigenous reconciliation.

Not mentioned in the GARP is a tangible strategy for achieving long term intergenerational affordability of housing that enables a more equitable and socially cohesive place.

There needs to be a specific focus on improving outcomes for marginalised groups to ensure that housing development approaches do not inadvertently create additional intersectional disadvantages. Strategies to minimise negative impacts could include **actuarial accounting** to consider implications across a wider range of factors as well as the inclusion of **opportunity costs** and the **risk of non-action** in planning and feasibility decision making.

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 lifelong renters is increasing. The market is not responding adequately to the need for long term, secure rentals and affordable home ownership alternatives.

The Simpsons own this home on a single salary from a husband who didn't go to college

This was considered normal in 1989 when the show began



Image: The Simpsons

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.”⁸

Housing affordability is already out of reach for the current generation of young people and the growing number of older solo households. 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 governments continue 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.

Grounded encourages the GARP to adopt a 'seven generations'⁹ approach to visioning the liveability of our cities well beyond the concerns of the next 30 years. The GARP should be planning for the housing needs,, environmental sustainability and liveability of our cities that will be experienced by our grandchildren's grandchildren.

⁸ Housing Matters Action Group, '[Housing needs mapping survey](#)', Anon quote, 2022

⁹ https://en.wikipedia.org/wiki/Seven_generation_sustainability

Community led housing responds to local context

Community led housing (CLH) is an umbrella term for housing models that involve residents and communities having central roles in the development and ongoing management of housing.¹⁰ Typically CLH focuses on affordability relative to local wages and wider social benefits such as social cohesion. CLH initiatives can respond effectively to local housing needs and often as part of their grassroots development tend to minimise NIMBY objections.



Image: Grounded

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.¹¹

The most effective housing outcomes for renters and those aspiring to home ownership will come as a result of effective collaboration between government, for purpose housing organisations and community led initiatives.

Community led housing can help to minimise the negative impacts of all types of development. Infill development can be obstructed by NIMBYism with existing residents unwilling to accept change and increased density. Brownfield developments, if left to the private market, are likely to deliver housing with the highest returns for developers, high end apartments for professionals and/or properties destined for short term holiday letting. These housing products are not conducive to the establishment of inclusive, equitable communities.

¹⁰ What is community-led housing? - World Habitat (world-habitat.org)

¹¹ Crabtree et al [Articulating value in cooperative housing International and methodological review](#)

Similarly, greenfield developments run the risk of market manipulation through drip fed land supply strategies, urban sprawl, sleeper neighbourhoods and locational disadvantage. However, community led greenfield developments have an opportunity to mitigate many of these risks.

The Aldinga Arts Eco Village provides a worthy example. This village currently has 181 houses and has incorporated 'living locally' via shared community spaces, productive food gardens, environmental stewardship and collaborative decision making processes. The village is also located close to schools, services and major roads.¹²

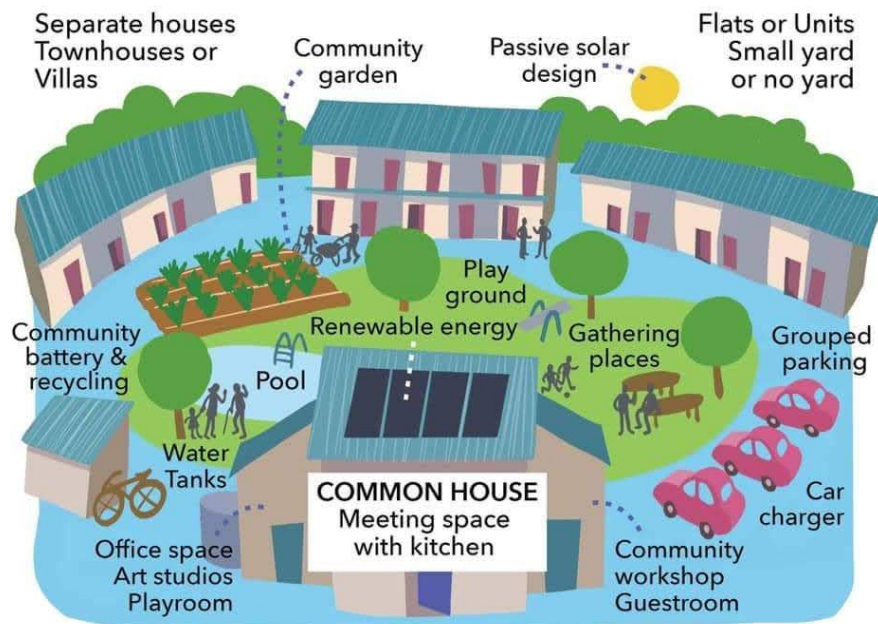


Image: Cohousing Australia

Involving community in the planning, managing and ongoing use of infrastructure can lead to better long term outcomes and usability.

The solution to traffic congestion is *not* wider roads or multi-million dollar freeways and tunnels that bisect communities. The answer is to restrict urban sprawl and the associated public transport deserts that force families into car dependency. More cost efficient (in terms of overall capital outlay) and better social and environmental outcomes can be derived from **high quality eco-friendly medium density urban infill**, particularly modern micro villages.

Combining state leadership with localised community activation could have significant benefit in terms of mitigating biodiversity loss and heat island risks. The commendable [native vegetation guideline for roadside management](#) for country areas and Green Adelaide's [Urban Greening Strategy for metropolitan Adelaide](#), acknowledge that more urgent action is needed to restore

¹² <https://aldingaartsecovillage.com>

urban biodiversity. [75,000 trees are being lost each year](#) from Adelaide's tree canopy. This is a critical biodiversity risk and heat island effect risk that puts costly strain on our health care system. There must be more stringent controls on [loss of tree cover](#), much tougher penalties for wrong-doers and much more funding to LGAs to reinstate Adelaide's shade including support for community activation initiatives.

Housing SA has announced plans to increase development of 400+ new homes as per [A Better Housing Future](#) and the 1,000 Affordable Homes Initiative. Instead of landscaping the front gardens of new homes with introduced species, the contracted property developer could be required to landscape with indigenous plants recommended by [Bringing Back the Butterflies](#). Simple community engagement strategies could be implemented to regenerate lost habitat for threatened species on publicly owned land, such as land managed by DTI and the Education Department, without any compromise to overall land usage.

The 'Missing Moderates'

Grounded is concerned the recent announcement of [A Better Housing Future](#) falls into similar tropes to troubled government interventions in other states. The removal of stamp duty discounts will result in less government revenue, with the savings used to bid prices higher. The \$650,000 threshold will have to be increased in two years. The FHB Grant will add to demand side pressures, requiring even greater FHB grants in the future.

With the housing crisis affecting young people, over 55's, solo parents and many families bearing the dual responsibilities of having to care for both their young children and their ageing parents, we have concern that this cascading of housing pressures is preventing this middle income cohort from gaining access to home 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 and rising cost of living pressures.

The disappearance of affordable rental supply has created a deep fearfulness within the moderate income earning cohort. This is a cohort that had not experienced housing insecurity previously. Many are fearful that they are just one eviction notice away from homelessness.

CLTs are the ideal intervention to enable moderate income earners to achieve home ownership. CLTs help to stabilise local housing markets and ensure that essential workers have access to home ownership in suitable locations. Over time, **CLTs reduce the demand for social housing, homelessness services and affordable rentals**, ultimately [reducing the cost burden on government](#).

Insights from other innovative building models

The [Nightingale Housing](#) model, the [Assemble Futures](#) model, the [Property Collectives](#) model, and the [Sun Villages](#) model have each demonstrated a [triple bottom line](#) approach to innovatively address the housing crisis. Each is to be highly commended for their environmental sustainability credentials and willingness to place [Human Centred Design](#) at the centre of the innovation process. Nightingale and Assemble, in particular, have demonstrated that not-for-profit architect-led housing innovation can deliver outstanding results at scale.

However, the impacts of the financial component of these models do not go far enough to achieve long term affordability over successive generations. Highly credentialed eco-friendly homes within a modern micro village are highly sought after. The gentrification of the housing stock pushes up the median price for homes in the surrounding area, shutting out home ownership for essential worker cohorts.

Each of these models have been in existence for approximately a decade and longitudinal data is not yet available about long term affordability. Regrettably, the absence of effective resale covenants¹³ for subsequent generations of buyers means that aspiring third, fourth and fifth generation buyers will have to be very affluent to be able to buy-in to such sort after eco-credentialed precincts.

As each of these innovative models mature and evolve, Grounded hopes that future projects will incorporate a CLT as the trustee of the land, whereby only the dwellings atop the land are bought and sold. In addition to the benefits of the modern micro village and eco-cred, a CLT would ensure:

1. The land component is permanently taken out of the calculation of the capital appreciation equation, thereby quelling inflationary house price pressures for the CLT dwellings and dwellings in the surrounding areas not covered by the CLT and,
2. A resale price calculation formula by means of a legally binding covenant is placed on the dwellings, permanently pegging the resale price of the dwellings to wages growth, thereby ensuring long term affordability for essential workers.

¹³ Nightingale has a covenant restricting resale to 15% of the median *detached home* in the locale. This will be much higher than an apartment due to the higher proportional site value.

Establishing a CLT ecosystem in South Australia

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', a CLT and CLH accelerator to help the community led housing sector address the challenge of scale-up.¹⁴

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. According to the latest research, there is potential for another 278,000 to be built.¹⁵



Image: UK Community Land Trusts Network

Grounded is collaborating with counterparts in the UK and USA to replicate the organisational structures and incubation processes to achieve similar transformative success in Australia.

Initially, the plan is to start with a small number of duplicatable 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, in conjunction with the rollout of a national CLT Start Up Fund with Housing Australia and a panel of impact investors and CLT specific financial instruments will enable the sector to grow to help fill the current gap between private rental and home ownership.

¹⁴ UK Cohousing, [Unveiled: the Community Led Housing Growth Lab](#) 2023

¹⁵ Bowker, C. [Community land trusts are the next social housing revolution: 'It's about empowering people'](#), The Big Issue UK, 15th Oct. 2023

Trends and drivers

For too long, housing and infrastructure (and politics) has been dominated by voices representing those that are likely to profit most from any decisions. The most effective way to plan and adapt is to ensure that land use plans and decisions are considered from a much wider perspective and include potential impact on future generations.

Key considerations for land use planning should include:

- Reconciliation with First Nations
- Recognition that land ownership enjoys monopoly power
- Intersectional disadvantage
- Gender lens
- Locational disadvantage
- Climate change, including impact of extreme heat
- Increased risks of natural hazard and emergency events
- Food production and biodiversity collapse
- Building resilience to external shocks - e.g. supply chain impacts exposed during COVID
- Transport - reducing reliance on fossil fuels and building in active transport infrastructure
- Health & wellbeing

Better use of government subsidies

Grounded calls for individualised subsidies, such as the state and federal [First Home Owner Grants](#) and the state based [Stamp Duty Relief for Eligible First Home Buyers](#) **to be redirected into the establishment of a financially sustainable CLT housing sector.** This has the potential to save money in the medium term and deliver genuinely affordable housing for generations to come.

Rather than the ever increasing need for government subsidies for individuals to enter into home private ownership, **the provision of government funding to CLTs quells broader house prices as the CLT sector matures.** As demonstrated by Swedish public housings growth, an initial post war investment has enabled the ongoing delivery of homes that meet community needs.¹⁶ Sweden's innovative Sveriges Allmannytta provides 30% of rental housing where security of tenure is guaranteed.¹⁷ Such a rollout could facilitate a more targeted approach to improve rates of home ownership among the 25 - 45 age group and help older single women avoid the perils of homelessness and housing insecurity.

Grounded calls upon the GARP to **proactively enable the development of a community led housing ecosystem strategy** for achieving long term intergenerational affordability of housing and a more equitable and socially cohesive place.

¹⁶ Sveriges Allmannytta, Public Housing in Sweden

¹⁷ ibid

Delivering greater choice across housing types and locations

With major developers often acting in concert to ensure higher prices, we need genuine competition in the housing market.¹⁸ Government also needs to intervene in the housing market where the market cannot and will not respond to housing needs. This includes supporting approaches that foster emergent housing models, alleviate the demand for social housing, and find the delicate balance between housing and food production on arable land.

Fostering new ecosystems

To ensure that GARP contributes to building a strong, smart, cleaner, regenerative economy, Grounded recommends greater support should be provided to emergent market ecosystems, including the affordable housing, impact investment and social enterprise ecosystems. This must be undertaken in the same innovative manner that the tech ecosystem was given a major boost through the creation of the enormously successful Lot 14 precinct.

Grounded recommends that the **South Australian government and Housing Australia create a funding pathway for CLT pilot projects**. We need Housing Australia and entities such as [HomeStart Finance](#) to facilitate the creation of a mortgage instrument that can be used by residents to buy into a community led CLT project. The funding pathways 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.

Importantly, any widening of the affordable housing mandate should ensure that any future sales have **an affordability lock**. This means that the CLT places a legal covenant on the sales price such that prices could not increase faster than the median wage growth for the area.

The paucity of remaining public land should be channelled towards housing organisations that have **for-purpose housing as their primary aim**. Government should refrain from succumbing to pressure from private for-profit property developers, as was seen in previous land releases, most notably Mount Barker.¹⁹

The pressures caused by 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 CLT leasehold system. Associated land rents could be returned to the public coffers whilst assisting the debt profile of a CLH project. If the financial pressure is too great on government, such sites should be first offered for sale to for-purpose development such as CLH or CHO's under a vendor finance agreement.

¹⁸ Power Housing [Prospectus & Capacity Report](#)

¹⁹ InDaily [‘Learn from Mount Barker’: Govt warned on new Greater Adelaide plan.](#)

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.



Image: GARP 2023

Impact calculators / Actuarial accounting

Changing how we measure and value impact has the potential to provide better insights and guide future investments. The siloed nature of budgets across government departments fails to capture the true picture. [The University of Melbourne School of Design](#) has published a 28 page Affordable Housing Calculator Manual.

The newly announced Social Infrastructure and Green Measures for Affordable Housing ([SIGMAH](#)) calculator developed by the Centre for Urban Transitions at Swinburne University will provide valuable insights into opportunity cost modelling. In time, these calculators will provide an understanding of **how much less public expenditure a government will incur** from areas such as health, policing, and community services when homes are made available to those who need them. The calculator will also provide monetary estimates of greenhouse gas and environmental benefits from provision of green spaces, dwelling designs and access to transport options and measures the dollar value of lower CO2 estimates due to the energy performance of new dwellings.²⁰

Housing must be seen as an investment in social infrastructure that underpins broader economic prosperity, not the reverse.

²⁰ Australian Property Journal [Social housing will deliver \\$16.2bn cost-of-living relief](#)

Alleviating demand for social housing

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 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, with flow on effects for their school age children, community connections, employment and further education. If they are not already in the home ownership market, the likelihood of being able to save enough deposit has all but disappeared.



Image: [Older Women's Co-Housing London](#)

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.²¹ **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.** Once a person becomes homeless their needs of ongoing and complex escalates sharply. The trauma impacts of homelessness linger for many months well beyond the point when the person has secured stable housing again.

There are calls for a return to the 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. The Housing Trust SA development of worker housing meant that the rental returns produced an economically viable and stable housing model. It ensured that industry had a supply of stable housed workers, well located housing was

²¹ Hamilton-Smith, L. Experts say Solving the Housing Crisis Could Take Decades, 2023

available near employment opportunities and that the housing costs were relevant to local wages.²²

While there is merit in these suggestions, 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 relevant to local wages, in a way that is reflective of the current political and economic environment.

Supporting small scale food producers

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.²³ **Affordable dwelling pods of 3-4 homes** on farming cooperatives 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 septic 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.

²² Jacobin [The Government Can Build Quality Housing for Everyone](#)

²³ UK government, Housing Needs of Different Groups, 2021

Part 2. Where should Adelaide grow?

Curb greenfield development

The [Land Supply Report For Greater Adelaide](#) suggests that greater Adelaide land mass area will increase by approximately 20% in 20 years. If this rate of land consumption continues, by 2085 greater Adelaide would have consumed land well beyond Two Wells and Roseworthy. Added pressure around Mount Barker, Murray Bridge, Victor Harbour and Goolwa would see devastating amounts of valuable arable land permanently lost to housing development.

Greenfield growth on the edges of established urban areas, ie urban sprawl, brings with it numerous disadvantages to residents, the broader community and substantial long term costs to taxpayers, including:

- Exacerbation of the drivers of Climate Change. The [Interconnected Disaster Risks report 2023](#) finds that the world is fast approaching risk tipping points on multiple fronts.
- Biodiversity loss
- Unsustainable growth pattern in terms of ‘seven generations thinking’
- Loss of arable land and subsequent threats to food security
- The risk of natural disasters are greater on the urban fringe
- Very high cost of infrastructure provision
- High ongoing costs of services provision due to absence of economies of scale
- Inflationary pressures that new land subdivisions place upon the housing market
- Ongoing car dependency
- Low walkability index and low Active Transport potential
- Higher transport costs => higher overall costs of living, disproportionately impacting low income families
- Exacerbates economic disadvantages experienced by women who have caregiving responsibilities caring for children &/or elderly family members, particularly in ‘child care deserts’
- Increased health care costs due to worsening loneliness is exacerbated within typically atomised households of greenfield developments
- Monetisation of excessive commute times entrenches disadvantage, and reduces family wellbeing
- Distance from employment opportunities, extended family, and community services exacerbates socioeconomic disadvantage and isolation
- Destruction of indigenous heritage sites, impairing the process of Reconciliation. Notably, the recent discovery of indigenous human remains at the [Riverlea](#) greenfield development
- Difficulty in attracting professional services (eg GPs, dentists, etc) to outer urban fringes
- Low population density is unviable for taxis / rideshare
- Negative impact on tourism desirability vs compact neighbourhoods which are highly attractive to tourists

The broader costs of greenfield development is enormous. Greenfield growth areas are not in proximity to jobs, services, existing transport or walking distance of community facilities, nor do they reduce the need for car travel.²⁴ Around 60 percent of Mount Barker council's population commutes to the city every day, said Voortman, who argued this strengthens the case for a greater focus on infill.²⁵ This is contrary to the GARP's aspirational emphasis of Living Locally.

Notably, [Melbourne's most liveable suburbs aren't in the CBD or the outer fringe](#). 'The best-performing local government areas tended to be older with mature trees and local strip shops and services, while the worst-performing were outer suburban areas with rapidly growing greenfield developments and often lagging infrastructure.' These are suburbs where the planning was performed by government, rather than profit driven developers in 'master-planned communities'.

Grounded cannot support the creation of greenfield developments on the urban fringe that perpetuate the issues we are already experiencing in the current housing system. The mass produced, developer led greenfield developments are increasing our vulnerability in relation to affordability, climate change, biodiversity loss, food production, isolation, community stratification and locational disadvantage.

While there may be many lifestyle benefits of 'a country life' in a greenfield development, the drawbacks outweigh the benefits. Young families and first home buyers are often forced to the outer fringes for lack of other affordable choices, where there is a false economy in living a large distance from employment opportunities.

Similarly, when applying a gender lens, greenfield developments have a disproportionately adverse effect upon women who have concurrent work commitments and caregiving responsibilities. Greenfield developments are often childcare deserts, preventing women returning to the workforce in a capacity of their choosing.²⁶ Further, often there are few high paying roles available locally. Invariably, women have little choice but to take on roles that are part time, low paid, and may have limited career advancement opportunities. These factors exacerbate the stubborn national gender pay gap and gender retirement savings gap. Greenfield developments have real world consequences, exacerbating pervasive financial and housing vulnerabilities faced by increasing numbers of women.

The GARP should curb greenfield development and **provide extensive oversight of Minimum Viable Supply Rates** (see below). Greenfield development should be limited and seen as a last resort only.

²⁴ Infrastructure Victoria [Strategic Engagement Report 2023](#)

²⁵ InDaily [Learn from Mount Barker': Govt warned on new Greater Adelaide plan](#)

²⁶ Western Sydney University [The Future of Work and Childcare](#)

Quality infill development

Growth should be prioritised around quality urban infill development and a focus on medium and higher density TOD. There should be ambitious requirements for any brownfield development to leverage maximum opportunity for long term affordability and amenity housing outcomes that transition to living locally and proactively working to adapt to the changing climate.



Image: Bowden, Renewal SA

Redevelopment of Housing SA properties that are no longer fit for purpose should be prioritised. These sites should be fast tracked to achieve greater density of social and affordable housing along TODs. Importantly, a CLT model can ensure that the public site remains entirely focused on affordable outcomes, rather than a subset of a market orientated development.

Any infrastructure hub (e.g. train station) that creates new land titles (i.e. the removal of a level crossing) should incorporate CLTs as a perpetually affordable housing outcome that maximises ROI for the government.

Any 'priority development zones', as [recently floated in NSW](#), need to **include significant proportions of for-purpose housing that have an affordability lock in place**. Developers should be required to abide by certain supply outcomes to qualify for the project, i.e. complete project selloff in 12 years, not 25 - 30 and that housing remains affordable for future generations not just the initial residents.

Grounded commends the recent work by Cohousing Australia to the [2023 Tasmanian Housing Strategy](#) highlighting how cohousing and community led housing could act as a key mechanism for the GARP to achieve high quality urban infill and the key objectives of Living Locally.

Land banking

Aside from the social and environmental drawbacks of greenfield development, government must also be realistic about market manipulation in greenfield developments. Most concerning is that the market power of developers is largely unchecked. Private land banking must be deterred.

Continued focus on faster planning approval times acts to distract from the scarcity engineering. Market conditions are the most important supply determinant.²⁷ 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.

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. An escalating land tax should be applied on land banks that aren't meeting the 5% supply rate.²⁸

²⁷ Rowley, S., Leishman, C., Olatunji, O., Zuo, J. and Crowe, A. (2022) [Understanding how policy settings affect developer decisions](#), 2022

²⁸Fitzgerald K, [Staged Releases - Peering Behind the Land Supply Curtain](#), Prosper Australia, 2022

Conclusion

As we face increasing challenges and uncertainty with climate change, the need to prioritise community wellbeing and our capacity to adapt also increases. We encourage GARP to be bold and innovative. We encourage GARP to position community and future generations ahead of those lobbying for short term commercial gain.

We believe that investing in housing models that provide perpetual affordability and long term community benefit should be prioritised. The commitment that the South Australian government has demonstrated to supporting the establishment of various ecosystems such as the Tonsley Innovation Precinct, the Bowden redevelopment and tech focused Lot 14, should be expanded to include community led housing and CLTs. This would position South Australia as a leader in pioneering new pathways forward.

Rather than repeat the points we've already made, we will conclude with some questions for further consideration:

- Will the government make better use of the levers available to it to limit private land banking and profiteering?
- What infrastructure is needed to foster a thriving ecosystem for impact investment?
- How could community led housing initiatives create a self sustainable affordable housing ecosystem that can continue to adapt to community needs and emergent challenges?
- Who is missing from decision making tables and how can they be better included?
- What will be the intersectional implications for vulnerable groups?
- What will our grandchildren's grandchildren think of our decisions and the legacy we are leaving them?



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Community Land Trust Advocacy

A pathway to housing affordability