



## **DELIVERING AFFORDABLE HOMES ACROSS QUEENSLAND**

In almost every town and city across the State, there are Queenslanders struggling to find affordable housing. Over 200,000 households are in housing stress, including 130,000 low-income renters and 83,500 households on low and moderate incomes with mortgages. The number of households on the social housing register is approaching 30,000.<sup>i</sup>

Housing costs are one of the single biggest drivers of poverty and disadvantage. Lack of affordable housing is linked to homelessness, financial stress, relationship breakdown and poorer educational and employment outcomes.

The simple fact is that Queensland's supply of housing is not keeping pace population growth – and not enough of the housing that *is* built can be afforded by people on low and moderate incomes.

An adequate supply of social housing operates as a safety valve for an over-heated rental market, but the number of social housing homes in Queensland has not increased since 2014. If the supply of social housing had matched our 8.3% population growth over the past five years, we would have 6,000 more social homes in this State.

Action to boost social and affordable housing is needed now; pushing the problem into the future will only make it more costly to fix.

Housing affordability is not just a problem for individuals. It is a problem for the economy as a whole. Poor housing infrastructure reduces labour mobility and productivity, discourages workers from migrating towards areas of economic development and job growth. Investment is distorted away from productive assets and towards excessive consumption of housing, supported by higher and higher levels of household debt - this adds to financial and economic instability.

CHIA Queensland believes that, to succeed, Queensland's plans for economic development must be underpinned by a robust housing strategy and a credible investment in social housing infrastructure. In turn, the success of the State's economic development must be measured by whether it delivers a decent standard of living for all Queenslanders, including secure, affordable housing. The issue is just as critical across regional and remote Queensland as it is in the South-East corner of the State.

While additional investment in our social housing portfolio is urgently needed now, housing affordability is an enduring problem in Queensland that needs more than a short-term fix. A sustainable solution to Queensland's housing crisis requires five strategies:

- An extra 20,000 new social housing homes over the next decade:
  - 13,000 to keep pace with the forecast growth in population, and
  - 7,000 to begin to address the backlog of unmet demand.
- Reform of the planning system and introducing inclusionary zoning to ensure at least 10% of the 380,000 new homes built over the next decade are affordable to buy or rent.
- A new Affordable Rental Incentive program to boost the supply of affordable rentals,
- A Shared Equity Home Ownership program to help bridge the deposit gap and move renters into home ownership, and
- Additional investment into effective support programs that help people maintain tenancies.

Good, affordable housing is a foundation for health, wellbeing, economic security and cohesive communities. It is something we should aspire to for every town and suburb across the State.

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## 1. Deliver 20,000 additional social homes over the next 10 years

Over the next 10 years, Queensland's social housing portfolio will need to expand by 13,000 homes just to maintain social housing at 3.3 per cent of the state's housing stock as the population grows. The second Housing Action Plan under the State's Ten-Year Housing Strategy must commit sufficient funding to expand the State's social housing portfolio by additional 1,300 social homes each year of the next decade.

Cost: \$1.4 billion over 4 years

In addition, CHIA Queensland proposes three measures to expand the Queensland social housing portfolio:

- A capital fund to begin addressing the immediate backlog of need,
- An equity partnership with community housing to redevelop 1,000 social housing homes, and
- A no-interest revolving loan facility of \$500m to enable community housing to unlock NHFIC funding.

To ease the immediate pressures on the social housing wait list, an additional **\$2.45 billion capital fund** would be earmarked for the purchase or construction of 7,000 new social or affordable rental dwellings by 2023. This would immediately boost the supply of affordable rental homes for those on low and moderate incomes and reduce the risk of homelessness for families across the State. This would kick-start progress towards the target of 58,000 new social and affordable homes by 2031.

**Redeveloping the existing social housing portfolio in partnership with community housing organisations** is a sure-fire strategy to deliver more appropriate, higher quality social housing. Much of the existing public housing portfolio is not suitable for its tenants, but it is often well-located close to transport, services and jobs. Through the Queensland Government contributing its existing housing stock as an equity partner with community housing organisations utilising the NHFIC to undertake redevelopment projects, a revitalised portfolio could be delivered at minimal cost to Government while protecting taxpayer-funded assets. This measure aims to deliver 1,000 additional social housing homes over 10 years.

Provide a **no-interest revolving loan facility** of \$500m to enable the community housing sector to unlock Commonwealth funding from the National Housing Finance and Investment Corporation to expand affordable housing across the State. Community housing relieves demand for social housing by offering homes at below-market rent to low and moderate-income households. This measure would overcome the current challenge that Queensland community housing organisations have little accumulated equity to enable them to borrow Commonwealth funds through the NHFIC. This facility will enable the Queensland Government to leverage its investment from the capital fund, and from its equity contribution to redeveloping social housing assets.

Cost: \$60m over 4 years.

## 2. Deliver at least 38,000 affordable homes over the next decade

In addition to the investment needed over the next decade to repair the neglect of the social housing system, structural reforms are needed to ensure that at least 10 per cent of all new homes built over the next decade are affordable to buy or rent. This in turn will take pressure off the social housing system, reduce housing stress and the risk of homelessness.

CHIA Queensland proposes five measures to achieve this affordable housing dividend from development:

- Require all local government bodies to develop an **affordable housing strategy by 2022**.
- Implement **inclusionary zoning** with a minimum target of 15 per cent social and affordable housing in all new developments on private land over a certain size, and 30 per cent where government land is sold, rezoned or otherwise made available for residential development.

- Work with Local Government to advance social and affordable housing by **reforming land use policies, planning and zoning** systems, and protect existing low-cost housing stock in future redevelopments. Land use policies to encourage diverse housing forms suitable for people at different stages of their lives could include appropriate secondary dwelling and dual occupancy to increase density in middle-ring suburbs.
- Establish an **incentive fund** for local governments to speed up planning processes, development approvals for new sub-divisions and address planning backlogs.  
Cost \$20m over 4 years
- Ensure that 25 per cent of dwellings within all **Build-to-Rent** developments are retained as affordable or social housing homes for at least 15-years, with transparent rental subsidies that are targeted at households in the bottom 50 per cent of household income.  
Cost \$6m over 4 years

### 3. Expand affordable housing incentives

A new Affordable Rental Incentive Program would help address the shortage of affordable rental properties by offering an annual subsidy of \$8,500 for up to 5 years to:

- owners of 9,700 Queensland NRAS properties to keep these homes available as affordable rentals after existing NRAS incentives expire from 2021; and
- owners of 9,000 new-built properties who rent their properties through community housing providers at 20 per cent below market rent to households on low and moderate incomes.

Cost: \$388.87m over 4 years.  
\$795.52m over 9 years

Under the Affordable Rental Incentive Program, landlords who rent properties through community housing organisations at below-market rents also would be offered a \$500 rebate on annual land tax liabilities. An estimated 2,700 affordable rental landlords would take up this offer.

Cost: \$3.83m over 4 years.

### 4. Establish a Shared Equity Home Ownership facility

Establish a Shared Equity Home Ownership facility in Queensland, to provide an opportunity for renters to bridge the deposit gap and move into home ownership. In some places it can be cheaper to buy than rent a home, but getting together a deposit while renting can be a struggle. This measure would benefit 800 households over 4 years.

Cost: \$120m over 4 years.

### 5. Tenancy support programs

Helping people maintain their existing homes is far more effective than trying to find new homes for them after they have become homeless. Additional investment in tenancy support programs will reduce disruption to the lives of individuals, and ease demand on crisis services. While some people will need assistance for a relatively short period of time to stabilise their living arrangements, the growing number who need longer-term tenancy support is placing huge pressure on the housing and homelessness service system. It is critical that funding for support programs increases in line with population growth to effectively manage demand.

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<sup>i</sup> *Queensland Housing Profiles for Queensland*, Queensland Government Statistician's Office, Queensland Treasury.