

The Big Housing Build and #ThrivingRuralVic

Nicola Quin

Deputy Chief Executive Officer

Homes Victoria

Rural Councils Victoria 2021 Summit

27 May 2021



OFFICIAL



1

Big Housing Build and rural Victoria

Social housing in Victoria – its beginnings

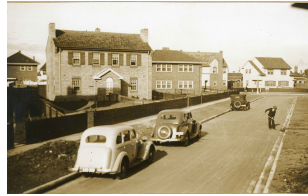
- Originally designed as a 'supply' response' in the 1930s'
- For decades after World War Two public housing largely housed low-income working 'nuclear families'
- Preferences for different public housing stock options changed over time



Sir Albert
Dunstan 33rd
Premier 1935-43



The day the Housing
Act 1937 was passed



Garden city estate
Port Melbourne – the
first public dwellings.



Social housing in Victoria: recent decades

- After the post-war boom, growth in new Victorian public housing began to slow
- Structural changes meant the social housing system became a place of last resort for people with complex needs, and waiting lists blew out
- Emergence of Community Housing in the 1980s as organisations formed to assist different demographic groups
- Increasingly housing allocation to people with urgent or priority needs



The Big Housing Build is a landmark investment in social and affordable housing



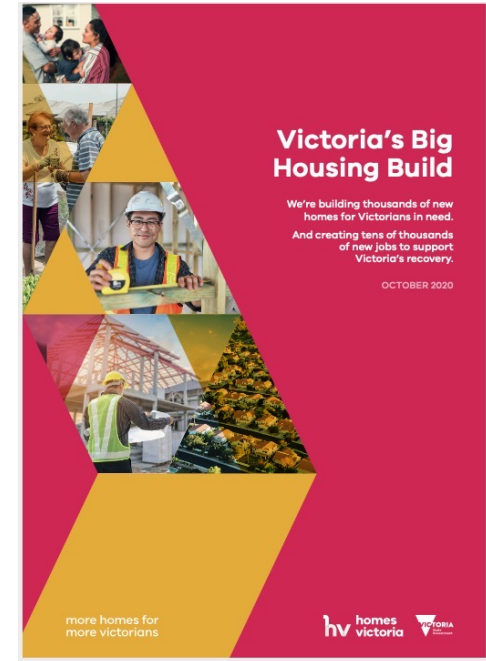
A \$5 billion investment into social and affordable housing in Victoria



Building thousands of new homes for Victorians in need – building 9,300 social housing dwellings; 2,900 mainly affordable housing



Creating tens of thousands of jobs to support Victoria's recovery from coronavirus (COVID-19)



Big Housing Build overview

Fast start projects, commencing **NOW**

Building new homes on public land **\$532 million**

The Big Housing Build starts now, on Homes Victoria land, replacing obsolete properties and constructing new homes. Work has already begun, to help get our building industry moving again.

500
new social housing properties



540
new affordable and market homes

Projects already started, or ready to build and spot purchase of existing properties **\$948 million**

We'll be working with the private sector to bring forward large developments ready to start construction and purchase existing residential properties across Victoria.

1,600
new social housing properties



200
new affordable homes

Strategic and partnership projects, starting **SOON**

Funding projects by the community housing sector **\$1.38 billion**

The community housing sector will be a partner in the Big Housing Build. The Victorian Government's Social Housing Growth Fund is launching a range of funding rounds – starting this year and continuing through 2021 – for housing projects led by community housing providers.

Up to **4,200**
new homes



Partnerships with the private and community housing sectors **\$2.14 billion**

Homes Victoria will explore opportunities to build on surplus government owned land sites. Using government land sites can maximise housing outcomes, through good value for money and access to strategic development sites. We will pursue opportunities to partner with industry, community housing providers, local government and institutional investors to identify new projects that deliver homes across Victoria.

Up to **5,200**
new homes



The Big Housing Build will deliver major social, economic and environmental benefits



Increase in affordable housing

- An opportunity for low to moderate income households to **enter the private housing market**
- **Increased access** to jobs and transport
- A **reduced need** for people to enter the social housing system
- A Pathway for people **to move out of social housing**

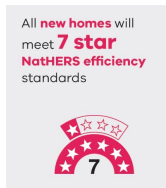


More Jobs

- **10%** of work on large projects to be done by apprentices, cadets and trainees
- A **gender equality plan** to get more women into construction
- An average of **10,000** new jobs a year, over 4 years

More energy efficient housing

- All new homes will **7 star Nationwide House Energy Rating Scheme (NatHERS) efficiency standards**
- Reduce the occupant's reliance on artificial heating and cooling



Social and affordable housing

Social housing

- The central plank of Victoria's housing response
- Provides safe, secure and affordable rental housing for those in need
- Can act as a pathway for some into private rental or home ownership

Affordable housing

- Affordable housing includes rental and ownership options
- Helps low- to moderate-income workers access jobs, training, services and transport
- Contributes to inclusion and productivity



The Big Housing Build will invest 25 per cent - or \$1.25 million - across regional Victoria

It's a guarantee that regional Victoria will share in the economic and social benefits of the Big Housing Build.

A Minimum Investment Guarantee for significant regional cities and local government areas of high population growth commits \$765 million to these 18 local government areas.

A further \$485 million will be allocated for projects across regional Victoria.

Local Government Area	Guaranteed minimum investment
Greater Geelong	\$180,000,000
Greater Bendigo	\$85,000,000
Ballarat	\$80,000,000
Latrobe	\$60,000,000
Greater Shepparton	\$45,000,000
Mildura	\$40,000,000
Baw Baw	\$35,000,000
Wodonga	\$30,000,000
Warrnambool	\$25,000,000
Wangaratta	\$20,000,000
Horsham	\$15,000,000
Swan Hill	\$15,000,000
Macedon Ranges	\$30,000,000
Mitchell	\$25,000,000
Bass Coast	\$25,000,000
Moorabool	\$20,000,000
Surf Coast	\$20,000,000
Golden Plains	\$15,000,000
Total	\$765,000,000



The 10 Year Social and Affordable Housing Strategy is a key element of Homes Victoria's agenda

The Big Housing Build

The Victorian Government's plan for social and affordable housing is a generational change.

The record \$5.3 billion Big Housing Build investment sits alongside system reforms that will support this growth and set out the future direction for the social housing system.

These reforms will be anchored around a **Ten Year Strategy that brings together investment, reform directions and actions that will position our housing system for the future.**

The public commitment is that the Strategy will be developed with the not-for-profit sector and industry

What the 10 Year Strategy aims to achieve



Sets out a 10-year joint vision for social and affordable housing that has broad buy-in to bring about meaningful change.



Places people at the centre to ensure that our collective efforts lead to improvements in the lives of the people who need and live in social and affordable housing.

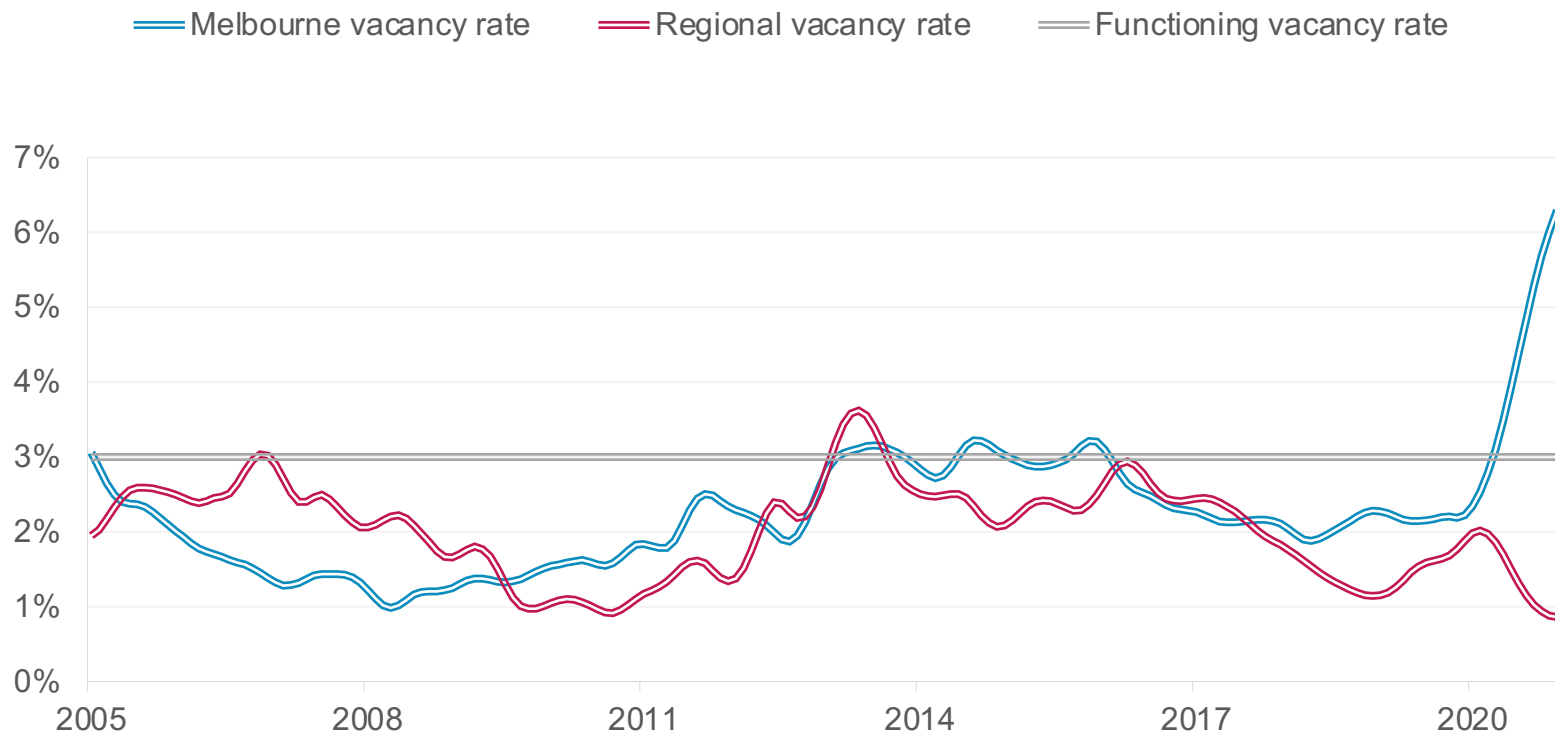


Commits to practical actions that set us on a pathway towards the 10-year joint vision. These actions will build on the significant investments from the *Big Housing Build*.

2

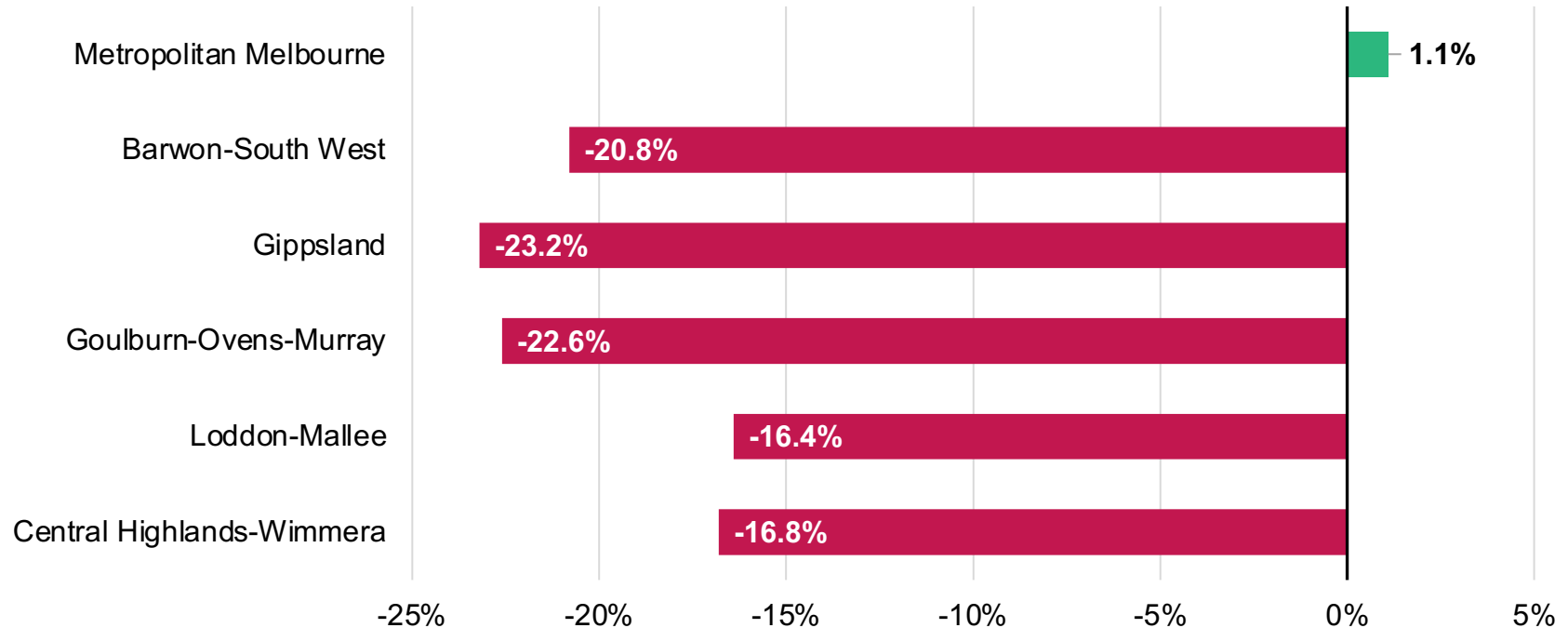
Housing affordability and supply in rural Victoria

The rental market in regional Victoria has tightened significantly, with the lowest vacancy rate since data were collected in 1999

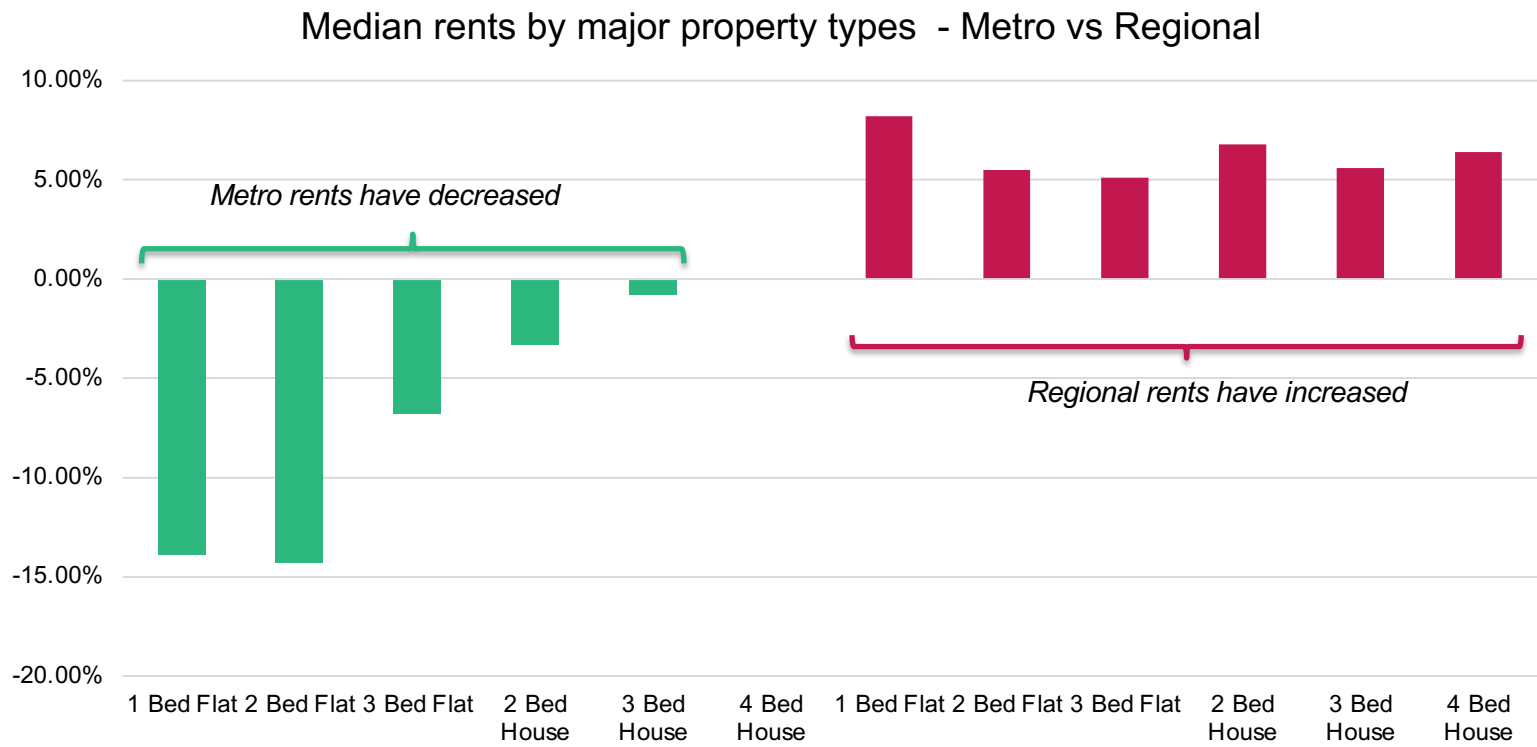


The availability of new rentals in some regions has declined markedly

Change in new lettings, selected regions of Victoria, 12 months to March 2021



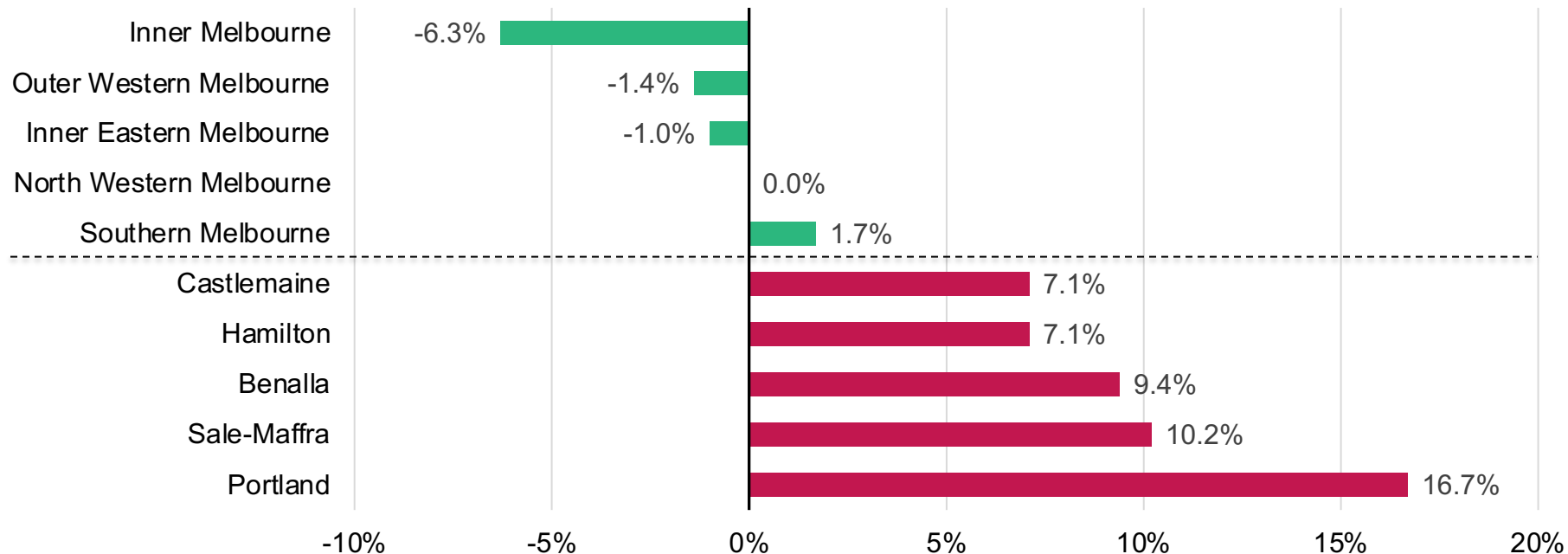
Rents are rising in regional Victoria, while they are falling in Melbourne



Rents in some regional towns have risen steeply over the last year



Annual change in median rents for 3 bedroom properties, selected suburbs and towns, March 2021



Homes Victoria is dedicated to using local insights in determining what, where, and how we build

Homes Victoria is not just relying on 'hard evidence' to support the Big Housing Build

We have heard that rural areas cannot house key workers.

A shortage of affordable housing in Alpine Shire means early childhood centres are difficult to staff, despite receiving additional state government funding

We have heard that existing residents are getting priced out of their own towns.

Investors are making more money from short stay accommodation than they are from long-term rentals. This drives up housing and rental costs

We have heard rural areas are struggling to develop more housing stock.

The planning system can be cumbersome and slow. This makes it even harder to attract developers to rural areas

3

Local priorities

The Social and Affordable Housing Compact will establish a new collaborative partnership between Homes Victoria and local government

Homes Victoria anticipates that the Compact will set out:

- a set of **10-year strategic priorities** for social and affordable housing in Victoria
- a governance framework with **defined roles, responsibilities** and decision-making processes that are agreed and understood by all partners
- **protocols for information sharing** between Homes Victoria and local government
- an **integrated and collaborative approach to planning** matters
- agreed **priorities for social and affordable housing growth** - developed jointly between Homes Victoria and local governments

Homes Victoria wants to understand local priorities

Engagement so far:

- Information on BHB funding
- Proposed planning scheme amendments
- Access to data on social housing and homelessness

New ways to collaborate:

- *A 10 Year Social Housing Strategy*
- *A 'Social and Affordable Housing Compact'*

Identifying local priorities:

- Housing demand
- Housing supply
- Support services

Homes Victoria is interested in what you think



- What are the housing challenges and opportunities faced by your local areas?
- Homes Victoria is committed to developing a Social and Affordable Housing Compact with local governments to frame our partnership approach. What would you like to see included in the Compact?
- How can we engage with you to understand your local priorities for housing?