1.4   Housing Context

Housing affordability and the need for more diverse forms of housing is becoming increasingly important in major Australian cities such as Melbourne. A variety of housing models are required to address housing affordability problems, with different models suitable for different residents.

There are several terms to describe housing models that are often used interchangeably. This section of the guidelines aims to clarify some of the existing and emerging models of housing delivery. Housing delivery models can be considered on a spectrum (Figure 1.4), with market housing at one end, and social housing at the other. In the middle of the spectrum there are other development models, such as community-led development known as 'deliberative development'. Some developers are becoming increasingly engaged with these alternative housing models.

MARKET HOUSING

Most new housing in Melbourne is delivered by developers as 'market housing' or 'speculative development', providing housing for investors and owner-occupiers. In this model, the developer takes on the risk of the project, using market research and experience to estimate what kind of housing the market is seeking. Market housing will play an important role in this project, as an established method of delivering housing, and to provide funds for ongoing community programs and services, contributing towards capital programs.

In recent years there has been an increasing awareness of the need to provide a diversity of housing to suit different requirements and price points.

AGED CARE

In regards to Melbourne's ageing community, there is increasing demand for aged care and assisted living. This could be delivered by a market provider or by a housing association.

DELIBERATIVE DEVELOPMENT

Deliberative development is when the residents of the future dwelling are known, and are involved in the development of the dwellings themselves. This is in contrast to 'speculative development' in which the developer anticipates what the future residents and investors would want in their dwellings.

The inclusion of deliberative development in a project can de-risk the project from a financial perspective, as a percentage of the future residents are known. The benefits of such developments can include high-quality and more sustainable development, increased housing affordability and the creation of community within the development themselves.

Under this umbrella term, there are different models of deliberative development that exist, such as the Nightingale Model, Baugruppen and Cohousing.

Nightingale Model

Originating in Melbourne, Nightingale projects follow a 'triple bottom line' philosophy, meaning they have a transparent financial process and must meet social and environmental criteria. Led by architects and a development manager, this model is funded by 'ethical investors' that have their profits capped at 15%.

Future residents are involved in the design of the project through completing a survey of what they want (number of bedrooms, need for car, desire for a shared rooftop garden) which informs the project brief. Nightingale has a licensing committee that approves architects to run projects, with each architect paying a licensing fee and meeting sustainable and good-design criteria.

Baugruppen

Baugruppen is German for 'building groups'. Often guided by a development manager and architect, residents jointly finance their future residence and are involved in the contractual and design process. This can save residents up to 30% on the cost of their home, as they do not need to make a profit from the process and do not have to pay for marketing costs or a display suite.

Future residents generally choose sustainable and community minded options, because they know this will be their occupied home (in contrast to an investment property). In contrast to cohousing, once the development is complete, the group ceases to be a cooperative and takes on a typical body corporate model.

Cohousing

Cohousing is a form of private residences that share common facilities such as a garden, playground, kitchen and laundry. In contrast to Baugruppen, the residents are part of an ongoing cooperative that are part of the design, delivery and ongoing maintenance of the development, with a shared ethos and regular meetings and social events.

These communities often form around an interest in sustainable and community orientated living. In most cases, the future residents collectively fund the development. In some cases, such as with Murundaka Cohousing, the physical building is delivered by a housing association with the members of the cooperative having long term rental agreements.

SOCIAL HOUSING

Increasing awareness of Melbourne's under supply of social housing has led to up to 15% of the dwellings dedicated to social housing in sites undergoing rezoning. Social housing is housing for those on low to moderate incomes, right through to crisis accommodation, and can be provided by the state government or not-for-profit housing providers.

Under this umbrella term, there are different types of housing models, such as affordable housing, special needs housing and crisis accommodation.

Affordable Housing

Affordable housing is for those on low to moderate incomes, often targeting 'key workers' such as nurses, police and firefighters.

Typically, affordable housing is housing that is sold or rented for 80% of market rate. Such housing is often delivered by housing associations. The National Rental Affordability Scheme (NRAS) is a federal subsidy that helps deliver affordable housing.

Special Needs / Public Housing / Community Housing

Public housing (run by state government) or community housing (run by housing associations) provide long-term rental social housing for people on low incomes that are most in need, residents who have recently experienced homelessness, domestic violence or have other special needs. Future residents can apply for these forms of housing via the Victorian Housing Register. Residents typically pay a maximum of 30% of their income on rent.

Crisis and Emergency Accommodation

Crisis accommodation provides short-term accommodation for those at risk of homelessness, family violence or substance abuse. Managed by not-for-profit organisations, individuals can stay between one night and several months, and are matched with support services, with the aim of being assisted to find more permanent accommodation.

HOUSING TYPOLOGY

In recent years, more and more Melburnians have realised the value of living close to work, public transport, shops, cafés and community. Smaller households and an ageing population are also responsible for a growing desire for more diverse types of housing than the typical suburban home.

There is potential for this redevelopment site to focus on increasing the diversity of housing typologies available in the local area.
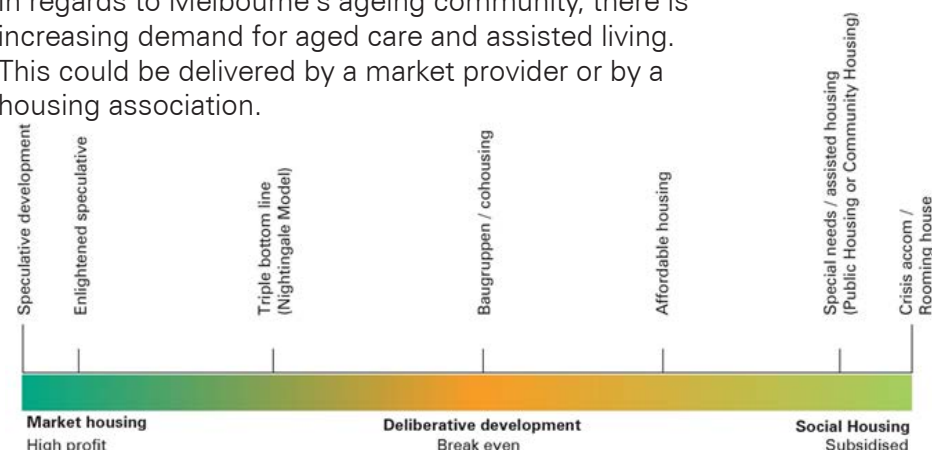
Figure 1.4 Housing spectrum

1.4   Housing Context

HOUSING TYPES UNDER INVESTIGATION

MARKET HOUSING

Types of People

Families   Couples   Singles   Specialist and Independent Living

Exemplars

Apartments

Townhouses

Aged Care

DELIBERATIVE DEVELOPMENT

Types of People

Families   Couples   Singles   Specialist and Independent Living

Exemplars

Nightingale Model

Baugruppen

Cohousing

SOCIAL HOUSING

Types of People

Families   Single Parents   Singles   Elderly   Need for assistance

Exemplars

Affordable housing

Special needs community housing

Crisis accommodation

Left to right, top to bottom

Cirqua, Ivanhoe (BKK Architects)

Nightingale 1, Brunswick (Breathe Architecture)

NRAS affordable housing, (BVN and Donovan Hill)

Heller Street Housing, Brunswick (Six Degrees Architects)

Baugruppen, White Gum Valley, Perth (Landcorp and spaceagency)

McIntyre Drive Social Housing, Altona (MGS Architects)

St Joesph's Mews, Hawthorn

Murundaka Cohousing Community, Heidelberg Heights

VincentCare Crisis Accommodation, Melbourne (MGS Architects)

Buiksloterham Zelfbouw, Amsterdam