

Submission to the Housing Strategy Discussion, Judith Handler, October 2022.

I welcome this opportunity to provide a homeowners perspective to the Tasmanian Housing Strategy discussion. **This is particularly important as the largest group of stakeholders, the Homeowners, are not represented on the Housing Reference Group.** Nor do they appear, for example, in Table 1 or elsewhere in the document.

While this omission is understandable in light of the original purpose of advising government on how best to meet its own obligations with regard to social housing and housing supply. The Housing Reference Group is therefore represents those with responsibilities, services, or business opportunities aimed at vulnerable people. However, the broadening of the scope of the new authority, Homes Tasmania to provide housing policies for **all** Tasmanians, means homeowners are significantly underrepresented in development of policies that will affect their rights and opportunities with regard to the asset / investment which is most significant, both in financial and personal terms.

It is therefore not surprising that the opportunities for homeowners to contribute to increased housing supply and housing density, or the needs of extended families to better use their combined assets in the current climate, have not been seriously considered to date.

Their exclusion will also have prevented householders from developing a trust in this process.

The Premier, in his introduction, makes clear his position that “Every Tasmanian deserves a roof over their head”, and that the government wants to ensure these needs can be met. [I would regard this more a fundamental right than a matter of merit.] However all current available analyses indicate that **no State of Australia will actually meet this target through current and proposed policies**, and that any additional opportunities, such as better use of existing housing should also be explored.

The introduction also states that the Government “also want to increase the resilience and diversity of housing options and opportunities for all Tasmanians.” It is contended that the current proposals of increasing housing only through the release of often very small blocks to build small houses, or even smaller units, reduced this diversity and therefore options for future generations to meet challenges currently either anticipated or unknown.

This discussion, and planning generally, should recognise that wider issues facing 21st-century families differ from those during the peak capitalist expansion opportunities of the 20th century that provided the opportunity for wealth and therefore home ownership beyond that of previous generations. Current, and likely ongoing, economic conditions have led to a reversal of that trend, leading not only to a shortfall in affordable housing, but also difficulty (and likely short-fall) of society proving adequate numbers of childcare, home based aged-care / home assistance, mental health and other disability support, where all households are small and isolated.

Inter-generations living will go some way to address all of these problems, as well as addressing intergenerational wealth inequities.

These factors should precipitate a review of assumptions underlying current regulations with regard to housing size, particularly in regard to ancillary housing. Any such review should clearly outline the objective of retained or revised regulations, both to inform the community, and to facilitate future review.

The following responses to your questions are given in this context, particularly with regard to the opportunities for increasing housing supply and housing density/infill housing through multifamily/multigenerational living.

The value of shared tenancy options are already recognised by the current plan and is being trialled within social housing. Ancillary dwellings generally also belong to this category, with

shared tenancy within the family common in many societies. While this would never suit all families, is much more likely to do so with separation of living spaces as ancillary dwelling spaces (whether attached or not) provide, provided they are of sufficient size to meet current needs.

Regulations regarding ancillary dwellings were developed in the 20th century, apparently as a means to house what was usually a single older parent, while maintaining the character of suburbs and of universal low density housing, an objective that we clearly cannot meet, and no longer appears desirable. These days, ancillary dwellings, are more likely to be used to overcome the recognised difficulties of younger generations transitioning to independence; for families with changed circumstances needing additional support; and for longer-lived older generations wishing to age in place while assisting their younger family to find suitable housing. An ancillary dwelling may also be simply a way to finance aging-in-place, through rental of one of the dwellings.

With current size restrictions on ancillary dwellings, these are often unsuitable for either a growing family, or an active retired couple who aim to relieve housing pressure on their children and grandchildren and would benefit themselves from this arrangement. Other jurisdictions have already recognised this and increased allowable size, providing a precedent to assist any such review.

While such a solution will not suit all families, encouraging in-fill housing in this manner will allow the market to determine the mix of housing types, and allow families housing that best fits their circumstances, now and into the future. Maintaining a policy of strict single family dwellings is an exercise in social engineering that may not best fit current or future needs.

Further, the current developer driven in-fill housing, which depends on demolishing the investment (in both house and garden environs) of the 20th C, to build much smaller single dwellings, changes the character of the neighbourhood to a much greater extent than an ancillary dwelling. With rising cost of building materials, the relative value of retaining the current buildings is increased.

This option affords the opportunity for significant easing of housing pressure at virtually no cost to the government, and without tying up further land, a major factor in minimising environmental impact.

Question 1: Should the vision for the Strategy include other factors?

Yes. Better representation, continued engagement, and ongoing feedback of homeowners, and inclusion of homeowner concerns.

Currently, the discussion paper considers the supply of social housing, but does not specify how this will be distributed within communities: is the intention to have this concentrated in certain areas, as in previous decades, or dispersed throughout new developments? This is an important component of an affordable Housing strategy, and of community acceptance. [See question 16].

Question 2: Are there important issues not covered by the focus areas?

- Good Bad-Build protection (legislation and programs).
- Contingency planning for responses to further pandemics, worldwide mass migration movement, further effects of climate change or other challenges that could rapidly increase housing needs, beyond the current expected demographic changes.

- Planning changes, including buyback schemes if necessary, for subdivisions subject to obvious and demonstrable environmental risks such as floods and sea level rise.

If these areas are **not** to be covered by the Housing Authority, then the responsible agency should clearly be defined and these issues addressed.

Question 3: Are there additional objectives that are important for Tasmanians and should be included?

Aligning all infrastructure planning to housing policy, to ensure adequate transport and community facilities, as well as direct housing related infrastructure.

Ensure the new Land Use Strategy is equitably applied, without removing existing rights landowners / homeowners without consultation or compensation, which appears to be a consequence of devolving application of zoning changes to Local Councils, who differ in their approach. [See question 16 examples.] Such inequities seriously undermine public confidence in the whole process (as well as limiting supply, without real environmental gain).

Question 4: Are there additional housing outcomes that are important for Tasmanians and should be included?

Question 5: What additional interventions could governments consider to improve housing affordability?

Recognise that housing affordability is dictated by both the cost of new housing and housing demand. Thus all increased housing that relieves housing demand, including increased utilisation of existing homes, including ancillary spaces for extended family or rental. [See question 12].

Reduce the cost of home purchase, including the cost of sale and repurchase as well as first homeownership, through reducing reliance on high levels of stamp duty.

A move towards replacing this with the land tax has been mooted, but has not been sold to the public or planned for. [As a large part of the public concern for this move appears related to a sudden change that leaves some people paying high levels of both, a gradual transition of any such move is suggested.] Extensive public interaction would be needed to gain public confidence.

Work with the Australian Government to move towards gradually reducing the number of properties for which one can claim negative gearing, which would gradually release more homes onto the market.

Question 6: What scope is there to increase the role of the private and community sectors in improving housing affordability?

Firstly, recognise the role of extended families in fulfilling some of these needs within the family, despite these not appearing in public programs. Improving such opportunities reduces housing demand, and therefore affordability. [See question 12]

Question 7: What other issues would you like to be considered regarding housing affordability?

One of the major costs of building is the ballooning pre-build costs, which should be streamlined, with duplication reduced. [For example, all steps of the process typically involve an application cost. A stepwise approach should see application costs reduced in number, ideally to two (for planning permission, which ideally should be specified by land use classification), and building approval through a defined path that covers each requirement sequentially.] The Discussion Paper indicated that an understanding has been reached with the construction industry to this end, but it's unclear if this is also readily available to private landholders.

Question 8: Noting increased rental prices and decreased rental vacancies across Tasmania, what are some of the ways the challenges in the private rental sector, particularly around security of tenure, could be addressed?

Question 9: How could the effects of the short-stay accommodation industry on the rental sector be managed into the future?

Shortstay accommodation obviously fills an otherwise unaddressed market. Getting closer to adequate housing levels overall will see this sector adjusted by the market itself. Overregulation will increase prices, and will price this shortstay accommodation out of the reach of many families. [see also question 10.]

Question 10: What must be considered to make sure new housing meets diverse needs into the future?

There needs to be a recognition that population density could change significantly due to international factors, as well as those within national control. Buildings that can be adapted for increased density should remain a significant part of the mix.

Retaining a significant shortstay accommodation component, which could be rapidly repurposed, will also significantly increase flexibility.

Question 11: How can housing supply respond rapidly to changing social and economic environments?

By maintaining (as recognised in the discussion paper), a diversity of housing types and sizes, and reconsidering regulations on building size and number of bedrooms et cetera.

By maintaining a dialogue with the whole community regarding these matters.

Question 12: What additional interventions could governments consider to improve housing supply?

Review regulations preventing homeowners from better utilising existing properties by improving opportunities:

- to adapt or increase existing buildings, or build ancillary dwellings, to increase the number of independent living spaces. Opportunities (and any financial support), should consider the number of families accommodated, and be independent of whether these are within the family or otherwise rented out. [See above.]
- Building size is a major factor. Ancillary dwelling size is limited to 60 m² in Tasmania, but can be up to 90 m² in ACT, at least 70 with the possibility of more on application in W.A. and Queensland. Should land size or footprint (or better, proportion of green space – concreted driveways are not green space), be a better measure of allowable size?
- The reasons underlying effective limitation on the number of bedrooms in a primary residence should also be reviewed to ensure the still relevant. Any such review should consider the increased use of rooms for home studies, particularly as work from the home increases.]
- To go further in this review, is there still a requirement for designation of a primary and secondary dwelling? In some cities duplex buildings (on the same title) are component of the mix – why not here?
- Now that separate rental of ancillary buildings is accepted, is it still relevant to insist that services such as electricity **not be separately metered**? Would this not facilitate the rental market?
- On larger blocks particularly, what purpose is served by the limitations on distance from the primary dwelling, and of separate metering? These should be reviewed or at least clarified.

Question 13: What other interventions could improve housing supply?

Improve planning processes to reduce pre-building costs for homeowners, as well as developers (which the discussion paper anticipates).

Question 14: What can be done further to improve planning processes in Tasmania, particularly in the context of the delivery of social and affordable housing and increased density via infill development?

Improve / streamline planning processes for ancillary dwellings.

Question 15: What scope is there to increase the role of private developers and local government in improving housing supply?

Question 16: How can we bring whole communities along to promote the benefits of social and affordable housing in local areas?

Communication and involvement, and equitable treatment, is key to community attitudes.

Without clarification of the distribution of social housing, Not in My Backyard attitudes are likely to continue. Broad discussion, including the experience of other countries that provide a broad range of social housing throughout the community would also help.

As homeownership is both a critical investment and a determinant of community environment, housing activity perceived to reduce property values will always be suspect. Developing better communities, including support for those requiring social housing, is necessary to reduce both the stigma and the poor social outcomes of those in need. Facilitation of programs that create community.

Community trust in the process depends on equitable treatment throughout the whole process. For example, there is considerable community concern with some proposed changes put forward by Local Councils, for implementation of the new Land Zoning Strategies, which are an integral part of the housing planning process. These highlight that the projected uniformity of approach to land-use across the State is undermined by divulging this aspect to councils, who vary in their approach.

Examples exist in the Kingborough Council area of multiple landholders (and householders), being stripped of existing rights, on majority cleared properties with a small proportion of natural environment, which have been moved from Environmental Living to Landscape Conservation Zoning.

Rights lost include not only those regarding the right to build, but also other activities currently allowed and sometimes undertaken for decades (for example, a small market garden operating for decades).

This is despite the portion of natural environment on each property being unsuitable for building or other development, treasured by the homeowners, and more readily protected by other means such as a covenant.

This approach appears to have increased the notional protection of environmental conservation, without increasing or accurately representing the actual areas conserved.

The Land Use and Housing Strategies are linked parts of a whole, determining the right to build and carry out the activities for which the property was purchased. Without representation, involvement, communication, or equitable treatment, such a housing plan will always be regarded with suspicion, as representing the interests of vested interests rather than the community as a whole.

Further work is required, and individual homeowners should be a greater part of this process, to ensure that similar inequities are avoided.

Question 17: What actions are needed to improve sustainability of housing?

Question 18: What Government assistance programs could help young people and people with changed life circumstances access affordable home ownership?

The current high levels of stamp duty for all title change activities makes co-ownership of properties that may be co-occupied more difficult. Given that there are also Social Security support advantages to being able to demonstrate an interest in a property (for example, where one occupies an ancillary dwelling), this prevents people getting on what for many may be the first rung of that ladder.

Question 19: What can be done to improve the energy efficiency of existing and new homes?

Improve the housing inspection process, to cease using or radically reform the use of private inspectors and the option of specifying that a property “substantially conforms” to the specified building standard. [This was the situation with prepurchase inspection of our own house, which showed an absence of in-roof installation, the circumstances that was apparently not unusual, with the initial inspector acknowledging that he never went into or inspected the roof space.] That is, better procedures to ensure homebuilders get what they paid for.

Question 20: What else can be done by stakeholders to improve sustainability?