

Developing your own Housing Strategy

This section of the Housing Kit offers a step-by-step procedure for developing your own Local Housing Strategy, helping you to compile each of the strategy's components as you work your way through. It is designed for planning and housing officers, and other staff who might be responsible for developing council's response to the housing market conditions and the needs of the community. It may be particularly relevant for councils when preparing their local environmental plan.

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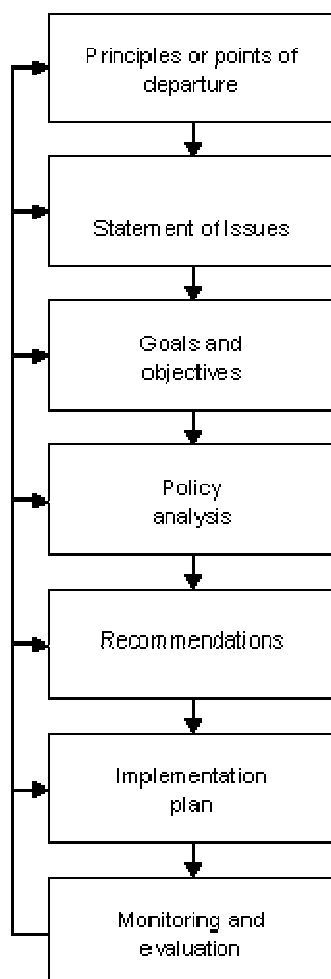
The Process of Policy Formulation

The first step in the process of policy formulation, as shown in the diagram below, is to capture the values or principles that will guide the rest of the process and form the basis on which to produce a statement of issues. The statement of issues involves identifying the opportunities and constraints affecting the local housing market, and is to be produced by thoroughly analysing the housing market. The kit provides the user with access to a housing data base to facilitate this analysis.

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The process of policy formulation

Diagram: The Process of Policy Formulation



The statement of issues will provide the basis for the formulation of a set of housing goals and objectives, designed to address the problems identified and to exploit the opportunities which present themselves.

The next step is to identify and analyse the various policy options which can be applied to achieve the set of goals and objectives. The options available to each local government will

depend on local circumstances as much as the broader context and each local authority will have to develop its own unique approach to addressing the housing needs of its residents.

An implementation program for realising the policy recommendations must then be prepared, addressing budgetary and programming requirements, and allocating roles and responsibilities.

Finally, the implementation of the housing strategy needs to be systematically monitored and evaluated against the stated goals and objectives, and the various components of the strategy modified or strengthened, as required.

At each step of the way, each component of the strategy needs to be discussed and debated, and a public consultation process engaged in. The extent of consultation and the participants involved will vary with each step.

Checklist: Getting started

Matters for councils to consider in developing and implementing a housing strategy and facilitating housing projects may include:

1. Have you got an adequate and up to date information base to help you identify and analyse housing needs and appropriate responses? Your information base should include a combination of social, environmental and economic data, and also incorporate the perspectives of community, industry, and government stakeholders. You need a way to update this data regularly.
2. How will you identify the aims and objectives for your Local Housing Strategy? Early and sustained consultation is important to ensure that local residents understand, contribute to, and support housing objectives for their community, and that the strategy has the backing of industry and government stakeholders important to its implementation.
3. Are the necessary resources in place to make the strategy achievable? Resources are likely to include dedicated staff time, training for staff and perhaps local industry, sources of funds to assist in establishing projects, and additional resources to undertake changes to statutory planning instruments if needed.
4. How will you connect your housing strategy to council's other strategic responsibilities and planning processes? Local housing strategies should be closely linked to council's other planning responsibilities and processes. Councils could choose to prepare a separate housing strategy, or it can be incorporated within council's existing strategic processes and plans.
5. How might your strategy relate to the work of other local councils at the sub regional and regional level? Housing issues are rarely confined to a single local government area — it may make sense to work collaboratively with other local councils to develop complementary responses to housing needs at a regional level.

Principles underlying a Housing Strategy

Any approach to addressing a problem is based on a set of principles or values. These may be commonly held and sometimes may appear to be obvious, but sometimes they are less than explicit and may even be subject to dispute. For example, clear principles of efficiency or cost effectiveness may underlie any council policy but other principles may be poorly articulated or controversial, such as those relating to social justice and fairness, or the distribution of resources among beneficiaries.

Making these principles explicit and stating them upfront gives participants in a policy-making process a common point of departure in identifying issues and placing them on the policy agenda. It forms the basis on which different approaches to resolving a problem may be evaluated. Guiding principles will also provide the basis for assessing housing strategy outcomes. If environmental sustainability is a guiding principle, then the outcomes of the strategy must be assessed against criteria which reflect that commitment.

Some common principles that could be considered as points of departure for developing a housing strategy, are:

- Commitment to providing access to housing that is appropriate and affordable—all residents of an area should be able to access appropriate and affordable housing
- Openness and transparency—all interest groups should be engaged in open debate about how housing problems are to be defined, what issues are to be addressed and prioritised, what solutions are to be considered, what recommendations are to be made and what solutions are to be implemented
- Fairness and equity—any costs and benefits of policy outcomes are to be fairly distributed among all residents or all interest groups, with an emphasis on ensuring that the least well-off receive appropriate priority
- Efficiency and effectiveness—public resources are applied in such a way as to maximise beneficial outputs and outcomes per dollar expenditure
- Simplicity and ease of administration—policy recommendations should be simple to implement and administer and the costs of administration held in check
- Sustainability—social, economic or environmental.

It may be necessary to prioritise among different principles, and to give one principle precedence over another. For example, simplicity of administration may be compromised to ensure that outcomes benefit the least well-off. These principles would be applied so that a program of housing support may have strict eligibility criteria to ensure that only carefully defined low-income households benefit. Appropriate compromises between conflicting principles may require public debate if the resulting outcomes are to be broadly supported.

At the local government level, the draft [affordable housing strategy](#) being developed for Port Macquarie–Hastings Council, for example, is based on three guiding principles: environmental, economic and social sustainability; community benefit (to ensure that all may participate fully in the physical, economic, and social life of the area); and partnerships as a means of addressing housing needs. (See Port Macquarie-Hastings Affordable Housing Strategy, Draft Report, Port Macquarie-Hastings Council, May 2006).

The Housing Strategy for the Gold Coast ([Housing For All Of Us](#)) is underpinned by several principles, including the right to affordable, appropriate and secure housing; house and neighbourhood design that supports development of inclusive and sustainable communities; housing diversity that provides choice; housing design that ensures access to inclusive lifestyle options, neighbourhood design that minimise resources use and protect our natural environment; assigns joint responsibility among citizens, the community housing sector, industry and all levels of government for housing outcomes; and recognising that actions in the strategy should strengthen the capacity of citizens to improve their own housing outcomes.

Similarly, at the state level, the [Housing Strategy WA](#) is based on the principles of affordability, sustainability and equity.

Setting Housing Goals and Objectives

Housing is critical to meeting basic human needs for shelter, security and a sense of connection within communities. Furthermore, the availability of a suitable range of housing contributes to a community's ability to function in efficient, equitable, prosperous and sustainable ways.

Adequate and appropriate housing is thus fundamental to vital, liveable and successful communities. This section provides guidance on how to formulate housing goals and objectives suited to addressing the issues raised in the housing market analysis and the resulting problem statement. The purpose would be to ensure that each problem is addressed by a goal and a set of objectives. Each objective would then have an associated strategy for its achievement.

Housing Goals

Housing goals are broad statements of intent, focussed on addressing the problems and harnessing the opportunities identified in the problem statement, and providing an overall direction to orientate more specific, practical and measurable housing objectives. An example might be where the analysis of the housing market shows that not enough housing choices exist to satisfy different needs and demand, then a housing goal might be “to support successful communities through housing choice, affordability, adaptability, accessibility and sustainability”.

The NSW Government's Sydney Metropolitan Strategy recognises this when it seeks to “enhance Sydney's liveability, by ensuring a diverse choice of housing for an ageing and changing population, close to services, while protecting the character of our suburbs and communities.”

Regional strategies for NSW also recognise this fundamental aim. For example, the Vision for the Draft South Coast Regional Strategy seeks to achieve “communities [that] are supported by a range of housing and employment opportunities with access to vibrant well serviced centres. New development encourages community interaction and cohesion.”

Without a mix of appropriate and affordable housing, communities cannot accommodate the range of people needed to maintain social cohesion, support the functioning of local economies, or sustain local services and businesses. For example, a shortage of affordable accommodation will limit the ability of a local area to attract the essential workers who maintain transport services, medical support facilities, schools, local council utilities, and child care. In every locale, a variety of housing types, tenures and costs is needed to achieve the concentration and diversity of people that support a full range of local services and facilities.

More important still is the contribution housing makes to community cohesion. Without a suitable range of housing, some households or whole segments of the community may be forced to move elsewhere if their needs or financial position change. Young people leaving home, or couples starting a family, for example, can feel these effects, whilst older people who are no longer able to maintain their existing homes may need to move somewhere smaller, possibly cheaper and with better access to essential services. In the same way, a lack of housing diversity can work to exclude entire sections of the population from particular locations. This leads to spatial concentrations of disadvantage and the polarisation of society.

Housing Objectives

Stable, affordable and accessible housing linked to health, justice and community support services is critical to helping people live independently and improve life opportunities related to family, work, education, recreation or other pursuits. Objectives for housing need to be seen in this context.

Some key housing objectives for local government are suggested below in relation to specific principles. Local priorities will, of course, vary and your council needs to consider which of these or other objectives are most important in your area.

Objective: To promote community wellbeing through better provision of housing to meet diverse community needs.

A principle of promoting community well-being implies that housing needs to be recognised as central to community wellbeing to gain the focus it deserves, and to ensure that strategies for its improvement are successful. A number of more specific objectives fall under this general objective. In relation to housing, the two most frequently cited involve appropriateness and affordability.

Objective: To give households access to housing that is appropriate to their needs.

Appropriate housing meets the needs of residents in terms of size, physical attributes and location. Housing should be of a sufficient standard that it is safe and does not affect the health or wellbeing of household members in a negative way. It should accommodate the daily requirements of residents, and allow sufficient space and privacy for all. If household members have special needs, their housing must also accommodate them adequately.

Objective: To promote a range of housing that is affordable to households of varying financial capacity, including an adequate supply of housing that is affordable for very low, low and moderate-income households.

Affordability generally refers to housing costs that are reasonable in relation to income. When looking at affordability, the focus is usually on the availability of accommodation that is affordable very low, low and moderate-income households, or those who are most likely to be having difficulty accessing affordable housing on the private housing market.

Housing affordability is commonly measured in relation to the proportion of income spent on housing costs. When a very low, low or moderate-income household is spending more than 30 per cent of its gross income on housing costs, it is said to be in [housing stress](#). Households in housing stress are unlikely to have sufficient funds to meet their other needs.

These central objectives of relating to principles of affordability and appropriateness should sit alongside other objectives related to principles of community wellbeing, such as choice, opportunity, inclusiveness and sustainability.

Objective: To provide housing choice by encouraging housing of different types, size and tenure in suitable locations, at a range of prices within the reach of households of varying financial capacity.

Housing choice refers to a household's capacity to select a home that suits its needs, preferences, aspirations and financial means. Housing choice requires the availability of an appropriate and diverse range of housing that is accessible to households from different socio-economic groups within the community.

An inclusive community is one that offers such choice and diversity.

Objective: To provide housing in a way that contributes to the sustainability of communities and is compatible with the goal of environmental sustainability.

"Sustainability" means two things in this context: firstly, an inclusive, diverse community is one that is most likely to be socially and economically sustainable. The sustainability of a community is closely linked with its ability to maintain and build on existing social networks, local services and economic opportunities. Diverse communities support a range of services and local businesses and also provide the labour force to deliver these activities. Providing a range of suitable housing to meet changing needs allows communities to stay intact and social networks to grow. Environmental sustainability, on the other hand, means recognising the fragility of our environment and ensuring that development can meet "the needs of the present without

compromising the ability of future generations to meet their own needs” ([Brundtland Report 1987](#)). To be compatible with this aim, urban development should protect the natural environment, contain environmental impacts, and reduce reliance on non-renewable resources.

Affordability and environmental sustainability are sometimes considered to be competing objectives for housing. This is not necessarily so, particularly when long-term affordability is taken into account. Many of the approaches that represent environmentally sustainable design, such as careful site planning and building orientation, do not in themselves add to housing costs. Other measures, while contributing to upfront costs, can result in long-term costs savings in, for example, heating or water consumption. If housing meets rather than exceeds needs, it can be affordable and can also contain the use of resources. Homes without multiple bathrooms are one example.

Objective: To provide housing that allows people the opportunity to pursue goals related to family, work, education, creativity, recreation or other pursuits.

Housing and the communities in which people live often shape the quality of life and opportunities they have. The availability of suitable housing will very often have a bearing on an individual's or a household's ability to achieve their goals.

These opportunities may be influenced by the accessibility and location of housing (to jobs, education and services, for example), the availability of space for particular activities such as space to work from home, the capacity for privacy, and so on.

Objective: To ensure that the location of housing offers residents adequate access to transport, employment, services, and to social and support networks.

Access refers to the proximity of housing to services, employment and commercial centres or the availability of safe, reliable and convenient public transport to these facilities.

To maximise access, housing should either be concentrated in areas close to commercial or employment centres or major transport nodes or should be serviced by regular and efficient public transport.

Objective: To encourage adaptable and accessible housing that can respond to the changing needs of residents.

Adaptable housing describes a home that can be modified or extended at minimum cost to suit the changing needs of its occupants. The aim should be to design and build housing so it can be adapted for use by any person, irrespective of their age, level of mobility, health conditions or lifestyle preferences.

Accessible housing refers to housing that has been fully adapted to meet the needs of a particular client or client type (e.g. a wheelchair bound person).

See: [Your Home Technical Manual](#) for further guidance on adaptable housing, and for [Guidelines on accessible housing](#) see, for example, those prepared by the Independent Living Centre of WA (inc.).

The findings of your housing market demand and supply analysis will form the basis of a problem statement containing the issues that your local government will commit itself to addressing. Any gaps between stated objectives and actual experience will identify the areas which an affordable housing strategy must cover. For example, if one objective is to provide a range of housing choice by encouraging housing of different types, size and tenure, then the absence of such choice has to be addressed in the housing strategy. The analysis may also identify additional goals and objectives, or require the refinement of existing goals and objectives.

The aims and objectives of your housing strategy are an important statement of your council's intentions and guiding principles in relation to housing. Information collected during the housing study informs the development of your housing strategy, and the identification of the aims and objectives to guide it, but is not in itself sufficient. Input from councillors, council staff, as well as broader perspectives from key stakeholders such as local community organisations and resident groups, is generally needed. The next subsection discusses public involvement in more detail. The need for the objectives of planning instruments to be compatible with your housing strategy objectives is discussed under [Urban planning](#).

Developing a Statement of Issues

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Identifying participants
Analysing the strategic context
Establishing study objectives
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Demographic trends Economic context
Housing supply issues
Local councils and their policies
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Overview

The statement of issues is a fundamental component of your housing strategy, and will determine what issues are placed on the policy agenda of the local council, what Council's housing policy priorities are, and the scale and type of resources applied to the problem. Developing such a statement begins with an assessment of the local housing market, and concludes with a list of the problems and opportunities that are identified through this assessment, and which will then be addressed by the housing strategy. For example, if an assessment of the housing market reveals that housing rents or prices in the local government area cannot be afforded by those on low to moderate incomes, and if the local council regards this as a problem because specific categories of workers such as teachers or nurses may not be able to live in the area, then the local housing strategy will have to address the problem. Another example would be where local government identifies public land holdings which may be

developed for affordable housing. This opportunity would then be addressed in the housing strategy. Other issues might include such matters as the loss of existing low cost housing stock due to gentrification, or a mismatch between housing supply and housing need (such as where a preponderance of larger free standing houses provides less opportunity for young people or seniors to procure smaller, more appropriate units).

A good appreciation of how the housing market operates will thus help councils develop sound approaches to preparing local development frameworks and local housing strategies. Before you can start preparing a housing strategy, you will need some understanding of recent trends in your local housing market and the major characteristics of that market.

This section of the Housing Kit gives you a framework for accomplishing this task. It includes detailed explanations of the main elements that should be addressed in a local housing market demand and supply analysis, and what data are available to describe and analyse the local housing market. From this section, you will be able to download specific data for your Local Government Area (LGA) and comparison regions in a series of spreadsheets from the [Housing Kit Database](#).

Analysis shows that each local market has different problems and opportunities. Local housing strategies need to be tailored to address these differences. Using a consistent approach enables us to compare local housing market studies across NSW, which would enhance our understanding of local housing markets. The Database includes hypothetical examples to show how particular indicators can be interpreted in different contexts and then used to inform the development of a local response.

This section is designed for housing officers and other staff who might be responsible for producing an analysis of their local housing market. It may be particularly relevant for councils who are:

- required to undertake a local housing market study under a regional planning strategy; or
- preparing a local housing market study as part of their Local Environment Plan, Development Control Plans, etc.

Step 1 - Getting started

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What is a housing market?

In economic terminology a market is where buyers and sellers come together to exchange goods or services at an agreed price. The price mechanism is the means by which demand and supply are brought into balance. Excess demand will result in prices being bid up. Excess supply will mean that prices fall until buyers are found for the surplus goods or services.

The supply of housing consists of the total stock of housing in all its forms. However, the total supply is less relevant. It is more important to distinguish the level of different sorts of housing stock according to dwelling type, tenure and price.

The demand for housing consists of households who wish to enter the local housing market. It can be defined more precisely as the quantity of housing that households are willing and able to

buy or rent (Sustainable Communities: Homes for All, Office of the Deputy Prime Minister, Cm 6424, 2005). The demand for housing in a local market is influenced by demographic factors, especially the rate at which new households are formed, prices in the local housing market and other housing markets, the economic circumstances of the households and of the local housing market, the perceived advantages of the local area in terms of its access to a range of goods and services, and the particular tastes or preferences of the consumers.

The interaction of supply and demand generates market outcomes including market prices (both sale prices and rents). Rapid changes in these prices reflect a market imbalance (where demand and supply are not in balance).

When analysing the local housing market both secondary and primary data sources can be used. Secondary data is data that has already been collected for other purposes. The most important source of secondary data is the [Census of Population and Housing](#).

Primary data is data collected for the purposes of the housing study, usually via a formal survey. In addition, a common source of data for the study will be a consultation process with key local stakeholders.

The complexity of the housing market

The housing market is particularly complex for a variety of reasons:

- Shelter is a basic human requirement. Although housing is traded in the market place it is also a welfare issue for those who cannot afford to pay for their own shelter.
- Housing is a high price commodity. Individual purchases are usually financed over a long period of time and are subject to the influence of interest rates. The decision to purchase is therefore of great importance to individuals.
- Housing has high transaction costs — that is, buying a home or moving home costs much more than most types of transactions. Costs include search costs, real estate fees, moving costs, legal fees, land transfer taxes, and deed registration fees. Transaction costs for the seller typically range between five per cent and ten per cent of the purchase price.
- Housing is provided in a fixed location. You can have an excess supply in one region and a shortage in another area, but you can't relocate dwellings to provide a balance in both areas. This is why we need to make local housing market studies.
- Housing is both a consumer good (the person paying for the housing lives in it) and an investment good (an investor charges someone else to live in their property).
- Construction of new dwellings in any year will comprise only a small proportion of the total housing stock at any point in time.
- Housing is viewed as a form of status and many households will attempt to reflect improvements in their income levels with changes in their housing circumstances, such as trading up to a more prestigious neighbourhood.
- Housing is highly regulated. The location and volume of new development is controlled through the town planning system. Minimum quality standards are set for new building and existing housing.
- The market adjustment process is subject to significant time delays, due to the length of time it takes to finance, design, and construct new supply, and also due to the relatively slow rate of change of demand. Because of these lags there is a great potential for disequilibrium in the short run. Adjustment mechanisms tend to be slow, relative to more fluid markets.
- Every piece of real estate is unique in terms of its location, the building itself, and its financing. This makes pricing difficult, increases search costs, creates information asymmetry (differences in information between the buyer and the seller) and greatly restricts substitutability.

Defining the local housing market

A functional housing market may overlap local government boundaries, or several housing different housing markets may be contained within a single local authority area. Different housing markets may also overlap spatially. For example, the market for coastal homes is restricted to a narrow coastal strip, but this strip is spread across all the local government areas along the coast. The UK Office of the Deputy Prime Minister (ODPM) (now the [Department for Communities and Local Government](#)) thus defined a local housing market as “where those moving without changing employment choose to stay”. So if someone who is looking to relocate would consider both LGA1 and LGA2, then the market area would include both LGAs. Alternatively, if they would only consider housing options within the LGA boundaries, then that LGA may be considered to be a housing market.

Lack of strict correspondence between the LGA boundaries and functional local housing market boundaries is an issue in metropolitan areas especially. Many LGAs are small and do not accurately reflect a local housing market. In non-metropolitan areas the reverse may be true: a housing market could be a particular town, rather than the whole LGA.

Because local government boundaries are not always aligned with housing market functionality, the Housing Kit Database offers you flexibility in defining your local housing market. The [data tables](#) in the [Housing Kit Database](#) are available by LGA, but also for a series of regional and sub-regional boundaries, including the sub-regional boundaries outlined in the [Sydney Metropolitan Strategy](#); Australian Bureau of Statistics (ABS) statistical divisions (SDs); and ABS statistical subdivisions (SSDs). Non-metropolitan LGAs will need to generate their own intra-LGA data to describe urban and non-urban markets. Adding data at the urban centre level is an area for further development of the database. The Housing Kit Database allows you to choose an appropriate geographic level of analysis for your council. Two or more adjoining councils could undertake a joint housing market analysis, for example, pooling their resources to do so. Another option might be to undertake an analysis for a sub-regional grouping of LGAs, such as for those proposed by the Department of Planning. If a council chooses to undertake an LGA-level analysis, it is a good idea to compare local indicators with those for the surrounding region or for neighbouring LGAs.

Identifying the participants

Councils can consider including other agency stakeholders and community participants when developing a local housing market analysis. Participants could include community housing groups, other government agencies, the development sector, and other community and business groups. Involving these stakeholders in the analysis exercise can help with identifying opportunities and assist decision-making about appropriate strategies to address housing issues and improve outcomes.

Reviewing the strategic context

A useful starting point for understanding the context in which your local housing market is operating is to review existing planning and housing policies and practice, together with other relevant literature. Start by reviewing the literature relating to past, current and future housing market trends, and identify any ‘gaps’ in the evidence base. It is particularly important to identify common local housing themes from relevant plans, especially in relation to any [NSW Department of Planning](#) objectives.

The documents your strategy should consider might include:

- regional housing statements/strategies
- regional and sub regional spatial strategies
- regional transport studies
- any previous local housing strategies/local housing studies

- local development plans and studies
- local social plans and studies
- local authority plans and strategic statements
- community data sets and atlases.

Setting market analysis objectives

Identify the specific policy or planning objectives of your housing market analysis at the outset so that you know what data to collect and analyse. The objectives of an analysis might cover a wide range of issues, and may also take the form of research questions or even hypotheses. The following are examples of research objectives:

- Assess the future impact of economic, demographic and social trends upon the housing market, particularly on housing need and demand
- Identify the factors that do, and will, influence the popularity of different types of housing in different parts of the housing market
- Identify the factors that do, and will, influence household need for different types of housing in different parts of the housing market area

A research question might be:

- How does the potential supply of housing relate to housing need and demand (that is, housing shortfall or surplus) broken down by area, tenure, etc.?
- What will the key features of the housing market be in five to ten years' time, particularly in terms of characteristics, structure and issues?
- Are the key drivers underpinning the housing market likely to change over the next five to ten years?
- How might the housing market's relationship with adjacent markets change over the next five to ten years?
- What might this mean in terms of its sub-regional and regional role?

You may already have some sense of what is happening in the local housing market, based on anecdotal evidence. This knowledge can be used to develop a set of hypotheses that can be tested through further research. Some hypotheses that might be tested could be:

- Housing opportunities in the area are becoming increasingly constrained due to price increases, which is forcing many children of residents to find their first home other localities.
- Boarding houses are providing critical accommodation for many lower income households.
- There are public land holdings in the area that could be used for affordable housing projects.

Also consider the policy issues that will be informed by the assessment's findings. These might include:

- achieving a better balance between housing supply and demand/need
- providing for both private, market driven housing delivery as well as affordable housing delivery (at appropriate levels)
- improving affordability, especially in high-demand areas
- addressing issues of low housing demand, where for example, there is no demand for existing housing stock because it is too large or old or otherwise unsuited to market needs and may remain vacant
- addressing more complex market situations where there is a mix of high and low demand in close proximity, coupled with environmental or other constraints.

These research objectives, questions, hypotheses or policy issues will influence the kind of data that is sought and the way in which the data is assessed.

The next section introduces the Housing Kit database, a useful source of some of the basic data required to undertake a housing market analysis.

The Housing Kit Database

The [Housing Kit Database](#) provides basic data inputs for the analysis of local housing markets, enabling the user to access basic demographic data that will assist in assessing the emerging relationship between housing needs and demands and housing supply, to identify various housing trends and to assess housing affordability.

It consists of a series of tables grouped under four headings, demography (D), economy (E), supply (S) and market (M). The full list of tables is shown below.

Housing Kit Data Base Tables

Code	Table name	Source	Updated b/w census periods
<i>Demography</i>			
D1	Population trends	DoP	Yes
D2	Age and sex	ABS	No
D3	Household type and family type	ABS	No
D4	Average household size 1996-2006	ABS	No
<i>Economic</i>			
E1	Income and occupation trends	ABS	No
E2	Industry structure	ABS	No
E3	Unemployment rates and labour force	DEWR; ABS	Yes
<i>Supply</i>			
S1	Dwelling structure	ABS	No
S2	Dwelling tenure incl. low cost rental	ABS	No
S3	New and total bond lodgements	DoH (R&S)	Yes
S4	Public housing stock	DoH	Yes
<i>Market</i>			
M1	Change in rents and house prices	DoH (R&S)	Yes
M2	Numbers of lower income households in housing stress	DoH (ABS)	Yes
M3	Proportion of rental and purchase stock that is affordable	CAH (ABS)	Yes
M4	Median rent and median house price data	DoH(R&S)	Yes

Some of the tables are based on Census data and are only updated when new census data become available (every five years). Other tables are updated more regularly. For example, M1 is updated quarterly when a new Rent and Sales Report is released by the Department of Housing.

Using the [Housing Kit Database](#) as a starting point, you can generate tables for your own LGA as well as for a variety of comparison areas.

Use of comparison areas

Describing housing data in an LGA without comparison data makes the description very hard to follow. Burke and Ewing (1999) provide an excellent example of this issue:

'The Municipality of Probus has 68 per cent home ownership and 20 per cent rental. Almost two-thirds of households are families with children and the age cohort with the greatest proportion is the age group 30–45.' This information can be enriched through comparison with other areas.

With a bit more data to provide benchmarks it could say: 'Probus is very similar to the metropolitan average, with 68 per cent home ownership and 20 per cent rental. However, it is noteworthy that ownership has increased five percentage points over the last census period, compared to a decline for Melbourne. Almost two-thirds of households are families with children and the age cohort with the greatest proportion is the age group 30–45. This is greatly at odds with Melbourne as a whole, which has a much lesser proportion of stereotypical nuclear family households.

When selecting comparison areas, you would select any LGAs that your LGA is normally benchmarked against (such as a neighbouring LGA with similar characteristics), your Statistical Subdivision, and Statistical Division. Your analysis would need to explain why you selected particular comparison areas.

The Database also lets you examine a number of hypothetical example areas. The examples are not actual LGAs, but they mirror the characteristics of specific LGAs, including metropolitan and non-metropolitan cases. They show you how [Housing Kit Database](#) tables can be used to generate a text description of a housing market.

More data sources

The links below are for kit users who are interested in reading in more detail about the variety of data sources cited in this step-by-step guide to preparing a housing market analysis.

[Census Data](#)
[Department of Planning Forecasts](#)
[Department of Housing Rent and Sales Report](#)

Step 2 - Understanding the Housing Market

Analysing and estimating trends

Once you have identified any partners (such as other LGAs or community participants), conducted your policy and literature review, and fixed your market analysis objectives, you are ready to move to the next stage of analysing the market. This section provides a detailed description of how a range of data can be examined so a picture of your local housing market can be captured.

[Demographic trends](#)
[Economic context](#)
[Housing supply and tenure issues](#)
[Land supply](#)
[Knowing the local players](#)

Tools for researching, planning and analysing

In many cases you are looking for trends in demographic and other data, and therefore a particularly useful set of data is the [Time Series Profile](#) from the Australian Bureau of Statistics. This data series adjusts data as a result of boundary changes and notes any changes to definitions of key census variables.

Demographic trends

Population and household structures influence the profile of housing need and demand. It is important to consider the size, age, gender and ethnic structure of the population, as well as the type of household.

Trends in overall population size provide an important backdrop for the demographic factors influencing the market. A key trend in recent times has been toward smaller household sizes as a result of people's preference for living on their own, increased life expectancies, and a decline in fertility rates. This means the demand for housing can be increasing, even when there is no population growth in an area.

The official ABS estimate of the population in the LGA is the estimated resident population (ERP). Estimates for periods after 30 June 2001 will be revised as the 2006 census results become available.

In non-metropolitan LGAs with large Indigenous populations, it is important to examine the relevant profile that provides detailed census characteristics of Indigenous people, families and dwellings. These profiles are available for a range of geographical levels including:

- Indigenous Areas (which are discrete Indigenous communities);
- Remoteness Areas;
- Local Government Areas (LGA).

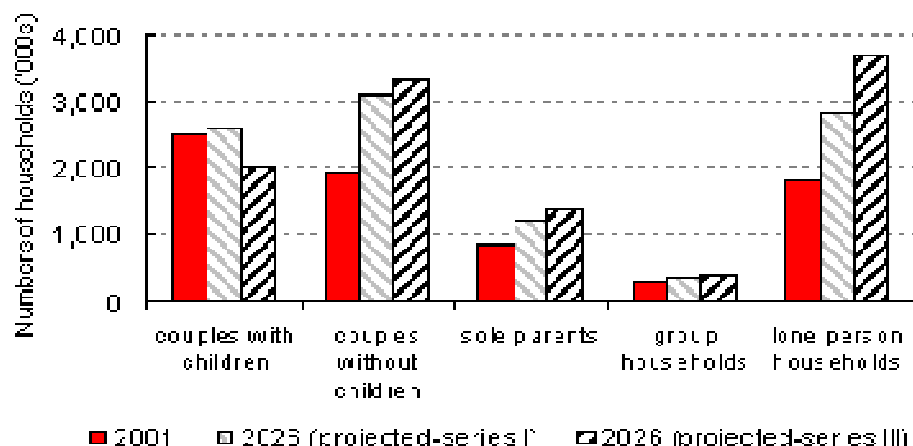
Details are available on the [Australian Bureau of Statistics](#) (ABS) website.

There are number of specific issues to be noted when using census data on Indigenous communities. For example, if you are using a 1991 to 2001 time series, it is important to note that between the 1991 and 1996 census the count of Aboriginal and Torres Strait Islander people increased by some 33 per cent, a far greater increase than can be explained by demographic factors (births, deaths and migration) alone. The issue of [Indigenous census data](#) is the subject of an occasional paper by the ABS.

Household formation

A key concept in the analysis of demographic influence on housing demand is the notion of household formation, or the likelihood of different sub-groups of the population forming separate households. In recent times, the number of sub-groups forming separate households has been increasing, a consistent trend across Australia and indeed many parts of the Western world. These trends are likely to continue. The figure below shows the number of Australian households in 2001 and the forecast number in 2026. It shows forecasts for two ABS scenarios: Series I and Series III. The increases in 'couple with no children' and 'lone-person households' show a clear trend. The increase in the number of one and two-person households will continue

the downward pressure on the occupancy rate for households.



Another way of looking at this issue of household formation is to measure occupancy rate of households, that is, the average number of occupants per occupied private dwelling. The table below shows the occupancy rates for NSW Statistical Divisions between 1991 and 2006.

Average household size: NSW 1991–2006

	<u>1991</u>	<u>1996</u>	<u>2001</u>	<u>2006</u>
Sydney	2.8	2.7	2.7	2.7
Hunter	2.8	2.6	2.5	2.5
Illawarra	2.8	2.7	2.6	2.5
Richmond-Tweed	2.7	2.6	2.4	2.4
Mid-North Coast	2.7	2.6	2.5	2.4
Northern	2.8	2.6	2.5	2.5
North Western	2.9	2.7	2.6	2.5
Central West	2.8	2.7	2.6	2.5
South Eastern	2.7	2.6	2.5	2.5
Murrumbidgee	2.8	2.7	2.6	2.6
Murray	2.8	2.6	2.5	2.4
Far West	2.6	2.5	2.3	2.3
NSW	2.8	2.7	2.6	2.6

The table shows declining occupancy rates in all Statistical Divisions and for NSW as a whole. This decline can be attributed to a number of factors including:

- declining fertility levels
- ageing of the population
- increasing proportions of single parent households
- preferences for living in smaller households
- higher incidence of divorce.

The ABS (2004) projects that this decline in the average size of households will continue in NSW, from 2.6 persons per household in 2001 to between 2.3 and 2.4 persons per household in 2026. This means that there will be a steady demand for dwellings (as the number of households grows) even in areas where there will be no population growth. Between 2001 and 2006 the number of households in NSW will grow by 33–38 per cent, while population will only grow by 20 per cent.

Age structure

The age structure of the population influences migration trends, household formation and housing need. There are important age 'cohort' effects in relation to tenure preference and housing demand as well as vulnerability and the likelihood of housing need. For example, a large aged cohort may suggest a high need for adaptable and accessible housing, or a large young population coupled with low employment opportunities may imply a vulnerable group of people who may require rent assistance. Therefore, your analysis should examine the proportion of the population in different age cohorts, to identify which household types in each tenure have grown or declined.

It is convenient to break the age structure into four groups:

1. 15–24 years or young households, characterised by shared rental tenure. Many people in this age group will be quite mobile while seeking education and career opportunities, which can result in higher concentrations of this age group in areas where education facilities are present;
2. 25–44 years or middle households with children, who are often purchasing homes and generally have the largest average household size;
3. 45–64 years or mature families, where average household is reduced as children leave home and the majority of households are owners or purchasers;
4. 65+ years or late households, which usually only have one or two persons and a high degree of outright home ownership.

The key demographic data sources are the Census and the annual ABS estimate of the resident population.

A good way to develop a picture of your LGA's demographic structure is to produce population pyramids for each census period. A population pyramid is two back-to-back bar graphs, one showing the number of males and one showing females in a particular population in five-year age groups. Males are conventionally shown on the left and females on the right, and they may be measured by raw number or as a percentage of the total population. The top of the pyramid corresponds to the oldest members of a population while the bottom represents the youngest age group. A template that will assist you in preparing a population pyramid for your LGA is included in the Housing Kit Database. Another useful demographic concept is the level of net migration between census periods. Net migration measures the change in the population of an area between census periods after allowing for natural increase (that is, births minus deaths). This number is a better indicator of the demographic 'health' of an area than raw population change figures. A decline in population might, for example, reflect economic decline in an area.

Special needs groups

It is useful to distinguish those groups in the population who have special needs that must be addressed to house them appropriately. Examples of these groups might include:

- people with a disability or mental illness
- the frail aged
- homeless people with support needs
- culturally and linguistically diverse people.

Their needs vary and may include affordable housing, or and housing designed and built housing so it can be adapted to reflect the users' age, level of mobility, health or lifestyle.

Ethnicity also has a strong influence on the mix and location of housing need and demand. Different ethnic groups have different age structures, household formation rates and fertility rates, and varying tenure, housing type and location preferences.

Some information on special needs groups is available from large data collections such as the [Census](#) and the data collection program of the [Supported Accommodation Assistance Program](#).

However, the best information is likely to be obtained by talking to organisations with an interest in and involvement with these groups and with representatives of these groups. Your council's community services officers would be able to provide you with a list of potential contacts. In cases where special needs groups appear to have large unmet needs, it may be useful to undertake separate research on that group.

Indigenous people

Local areas with significant numbers of Indigenous households will need to consider Indigenous housing needs specifically. Indigenous people are more likely to be disadvantaged with respect to their housing than the non-Indigenous population. For example, the home ownership rates among Indigenous households in NSW are less than half those of the non-Indigenous population (34 per cent compared with almost 70 per cent).

The housing needs of the Indigenous population raise complex social, cultural and political issues. Housing issues faced by Indigenous households include:

- discrimination in the private rental market
- difficulty finding appropriate dwellings for large extended families
- high levels of poverty, generating acute affordability problems.

Burke and Ewing (1999) address some of these issues, making the following observation:

"Aboriginal and Torres Strait Islander housing need is the greatest of any needs group in Australia. Irrespective of the measure of need, Aboriginal and Torres Strait Islander housing conditions perform badly by comparison with those of the Australian population overall.

Compared to non-Indigenous Australians, Aboriginal Australians face high rates of overcrowding and after-housing poverty, are much more likely to live in improvised dwellings, have much lower levels of home ownership and are much more reliant on publicly provided housing." (Burke, T. and Ewing, S., Housing: Your Local Infrastructure - A Toolkit for Local Government Housing Policies, Strategies and Actions, Municipal Association of Victoria, Melbourne, 1999).

In addition to the Census, another major source of data is the National Community Housing and Infrastructure Needs Survey (CHINS) last conducted in 2001. This survey collected selected information on Indigenous organisations that provide housing to Aboriginal and Torres Strait Islander peoples (referred to as Indigenous Housing Organisations or IHOs). The information collected included details of the housing stock, dwelling management and selected income and expenditure data. More details on this survey are provided in the section on housing supply below.

Other sources of information on Indigenous housing

1. NSW [Aboriginal Housing Office](#) — a variety of resources, including publications and a library of Aboriginal housing links.
2. [Australian Housing and Urban Research Institute](#) (AHURI) — reports about Indigenous housing, such as how to consult with Aboriginal communities about housing and a report on how to help Indigenous families into stable housing.

Future demand

In examining future housing needs it is necessary to forecast both population change and also changes in household formation rates. Population projections are available from the [NSW Department of Planning](#) and are included in Table D1 of the [Housing Kit Database](#).

The ABS also produces population forecasts for areas on a contract basis. Many larger local governments produce population forecasts as part of their management plan.

The aim of this exercise is not to produce precise forecasts but rather to develop a broad picture of the likely impact of population and demographic change on the housing market.

Recent mover analysis

Within any area there are many households who may have been living in the same dwelling for a number of years and who have no intention of moving in the near future. These households and the dwellings they occupy are not influencing the type and price of demand for housing.

An analysis of households who have moved into the region recently enables a sensitive picture of housing demand to be developed. Unfortunately this analysis is only possible with the aid of a special run of ABS Census data.

More information on recent mover analysis. To obtain more information, contact the ABS Consultancy Service by telephone on 1300 135 070, or mailto: client.services@abs.gov.au

Recent mover analysis examines:

- where households moved from
- where they moved to
- ages of mover households
- type of households who moved
- household incomes of recent movers
- household income by tenure
- household income by type
- types and sizes of dwellings occupied by households
- types of dwellings occupied by area of origin
- tenure of households
- tenure by household type.

Such an analysis enables an estimation of the expressed demand for different types and sizes of dwellings, and permits some conclusions about future growth by reference to the extent of immigration. (Consider waiting for the results from the 2006 census before considering an analysis of this type.)

Step-by-step summary: Demographic trends

- Examine recent population trends and forecasts for your LGA at Table D1 of the Housing Kit Database.
- Examine age sex breakdown at D2 and construct population pyramids for 1991 and 2001 using the provided Excel template.
- Examine trends in household types and family types at Table D3.
- Examine occupancy rate trends at Table D4.
- Estimate proportion of household growth that is population and household driven.
- Examine any special needs data that is available and hold discussions with key stakeholders.
- Provide commentary on existing and future demand for housing taking into account the forecasts in Table D1.

Economic context

This section is concerned with the ability of households to afford housing, and discusses household incomes in relation to issues of economic structure and employment trends in a local government area.

Incomes

Data on household incomes (rather than the income of individuals) are the most relevant to housing market studies because they reveal much about a household's ability to afford to pay for or contribute toward satisfying their own housing needs. Household income data is available from the Census.

Indicative income parameters that assist in understanding different segments of your local housing market include (figures updated to August 2006):

- Household earnings for very low income households (households with income less than 50% of the median) were \$577 or less per week in Sydney and \$398 or less per week for non-metropolitan households.
- Household earnings for low income households (households with income between 50% and 80% of median income) were \$578 to \$923 per week in Sydney and \$399 to \$636 per week for non-metropolitan households.
- Household earnings for the moderate-income households (households with income between 80% to 120% of the median income) were \$924 to \$1385 per week in Sydney and \$637 to \$954 per week for non-metropolitan households.

The median income data are taken from Table T22 of the ABS Time Series Profile, while the 2001 Household Income data is taken from the Basic Community Profile, Table B31.

The occupation of the residents is an income-related variable that can be used to indicate the LGA's socio-economic status. Rather than examining the entire occupational breakdown, an occupational index that shows the percentage of Managers and Administrators and Professionals is suggested. This measure is taken from T16 of the ABS Time Series Profile. These income and occupation data can be found in the [Housing Kit Database](#) Table E1.

Economic structure

In non-metropolitan areas it is also useful to take into account the economic structure and employment outcomes in the LGA. (In metropolitan areas, commuting patterns make this information less relevant.)

When considering economic influences on housing demand in an area, first examine the industrial structure of a region or sub-region — economic declines and upswings do not affect all sectors of the economy to the same degree. It is particularly important to differentiate between the cyclical unemployment that results from fluctuations in the business cycle, and structural unemployment that results from the permanent decline of a particular industry. Cyclical unemployment often occurs in the construction sector, for example, while structural unemployment might result from the decline in the manufacturing sector. The industry structure for your LGA is available in Table E2 of the [Housing Kit Database](#).

Structural change is affecting many sectors of the economy. There has been continued shedding of jobs in the manufacturing sector, while the financial and information sectors of the economy have been growing strongly. The spatial impacts of these changes on the economy of NSW have led to strong economic growth in the central areas of Sydney, but many non-metropolitan regions have been experiencing stagnant economies and a declining employment base.

Estimates of unemployment rates by Local Government Area are available from the Commonwealth [Department of Education, Employment and Workplace Relations](#), which produces quarterly estimates of Small Area Labour Markets for individual local government areas. These are synthetic estimates based on the ABS labour force survey data.

Employment trends

There has also been a significant shift in employment patterns from full-time employment to part-time and casual employment. This trend may have affected the ability of some households to obtain conventional mortgage finance for home purchase because of uncertainty about their future income. Alternative lenders with less stringent lending criteria have emerged to cater to this market, but charge slightly higher interest rates. Indeed, some researchers argue that declining levels of home purchasing in recent years have been a result of increased uncertainties among households about future income streams. You can examine the effect of this trend by looking at the proportion of the local workforce that is employed full time using information from the ABS Labour Force survey provided in Table E3 of the [Housing Kit Database](#).

Step-by-step summary: Economic trends

- Examine Income and Occupation trends in Table E1 of the Housing Kit Database. Comment on the income trends and the current state of “purchasing” power in the LGA.
- Examine the industry structure at Table E2. Comment on the trends in the LGA.
- Examine the unemployment rates and proportions of full time employment in Table E3. Comment on the trends in the LGA.

Housing supply and tenure issues

This section covers issues relating to existing numbers and types of housing and the range of available housing tenures. These provide a baseline for future housing delivery and allow a comparison to be made between estimated housing need (in terms of housing numbers and housing types) and housing availability. It also provides advice on tracking local Aboriginal housing delivery and local residential development and land supplies.

Housing stock

The Census Time Series Profile (T18) provides a table that shows the number and proportion of different dwelling types over the last three census periods.

All private dwellings, except diplomatic dwellings, are included in the Census, whether occupied

or unoccupied. Caravans in caravan parks, manufactured homes in manufactured home estates, and self-care units in accommodation for the retired or aged, are counted only if occupied. Occupied non-private dwellings, such as hospitals, prisons, hotels, etc. are also included.

The Census characterises private dwellings using the following list of classifications:

1. Semi-detached, row or terrace house, townhouse, etc.
2. Flat, unit or apartment
 - In one or two storey block
 - In three or more storey block
 - Attached to a house
3. Other dwelling
 - Caravan, cabin houseboat
 - Improvised home, tent, sleepers out
 - House or flat attached to a shop, office, etc.

Dwellings are classified as occupied or unoccupied. *Unoccupied Private Dwellings* are structures built specifically for living purposes that are habitable, but unoccupied on Census night. Vacant houses, holiday homes, huts and cabins (other than seasonal workers' quarters) are counted as unoccupied dwellings. In analysing housing supply it will be particularly important to take account of vacancies in areas with high rates of seasonal visitors. Also included are newly completed dwellings not yet occupied, dwellings that are vacant because they are due for demolition or repair, and dwellings to let. Information on dwelling types in your LGA is available from the [Housing Kit Database](#) Table S1.

In addition to the data on dwelling structure, Table S1 also includes data on the dwelling size of each of the main dwelling types as measured by the number of bedrooms (taken from Table X49 of the Expanded Community Profile). It allows you to compare the variety of dwelling sizes by dwelling type in your LGA with other comparison areas. Data is also provided on the number of bedrooms and the number of occupants for each dwelling type.

Tenure

Housing tenure describes the legal mechanism through which a household accesses housing. The two main forms of tenure are rental and ownership. Information on tenure types in your LGA is available from the [Housing Kit Database](#) Table S2.

Overall figures on tenure changes can be obtained from the census and this information can be supplemented with data from other sources where available. The Census Time Series Profile (T19) provides a table that shows the tenure type and landlord type. The table records the number of occupied dwellings and people (in occupied private dwellings) in each of the categories listed below for the last three census periods. Census tenure types include:

- Fully owned
- Being purchased
- Rented, including state/territory housing authority, other landlord type, or not stated
- Other tenure types

Table S3 shows the most up to date data on total bonds and new bonds lodged for the most recent period available from the [Rent and Sales Report](#) of the Department of Housing. It also shows recent trends in bond lodgements. It allows you to track trends in rental supply between census periods.

Low-priced rental stock

Data on public housing stock numbers is available from the [Housing Kit Database](#) in Table S4.

A broad measure of changes in the availability of private low-priced stock is available from published census tables (specifically Table 20 of the Time Series tables that shows the number of properties in nominal rent categories for 1991, 1996 and 2001).

Between June 1996 and June 2006 there was a 33.4 per cent increase in the Consumer Price Index (CPI) for Sydney. Applying this increase in rent to the third lowest rent category in the table of \$100-\$139, generates a result of \$133-\$185. This is very close to the next category of \$140-\$179. This means that if there had been no loss of low-priced rental stock, the number of properties renting for less than \$139 in 1996 should be roughly equivalent to the number of dwellings renting for less than \$179 in 2006 — or the ratio of the 2006 properties to the 1996 properties should be 1:1.

Ratios larger than one indicate an increase in low-cost rental stock, while ratios less than one indicate a decrease in low-cost rental stock. Increasingly, these ratios are likely to show a marked loss of low-priced stock in many high-cost areas of Sydney, especially in inner city areas. Major areas of growth of low-cost rental stock have been in the western and south western LGAs in Sydney and in coastal growth areas.

Some care needs to be used when interpreting these figures, especially in non-metropolitan LGAs. Firstly, they are based on census data and, for example, there were substantial increases in rents in some areas between the 2001 and 2006 census, which would not have been immediately apparent, so the figures may quickly become out of date. Secondly, in some non-metropolitan areas low-cost rental stock has been grown from a very low base, so real gains in affordable rental housing might be quite small. Thirdly, in many coastal locations the main difficulty faced by tenants in accessing affordable rental housing is continuation of supply through the tourist season, not the price of off-season accommodation (Note: the census is undertaken in August).

Housing supply for Indigenous people

The [Community Housing and Infrastructure Needs Survey](#) (CHINS) is an excellent source of data for housing supply managed by Indigenous Housing Organisations. There are two sources of identified Indigenous housing in addition to mainstream public housing. The Aboriginal Housing Office owns about 4000 dwellings, which are managed by the Department of Housing. Around another 5000 dwellings are owned and managed by local Aboriginal organisations.

Details of how the CHINS survey is conducted and the procedures for obtaining CHINS data for your area are available from the ABS.

Residential development

Tracking trends in residential development is a key task for your local market study. A good source of data is residential building approval data. These are compiled from permits issued by: local government authorities and other principal certifying authorities; contracts let or day labour work authorised by Commonwealth, state, semi-government and local government authorities; and major building approvals in areas not subject to normal administrative approval (such as building on remote mine sites).

Building approval data are collected by the ABS and are published in [Building Approvals, Australia](#). They are also published in the [Housing Kit Database](#) in Table S5.

A *dwelling (or residential building)* is defined as a building consisting of one or more dwelling units. Residential buildings can be either houses or other residential buildings.

Other residential building refers to a building other than a house primarily used for long-term residential purposes. Other residential buildings contain more than one dwelling unit.

In addition to building data, it might also be useful to examine trends in development applications in your LGA. The trends you might like to track are the total number of development applications (DAs), the average number of dwellings per DA, and the names of the developers (where appropriate in terms of building relationships with potential suppliers of affordable housing).

Land supply

The amount of serviced land in your locality might indicate whether there are any potential bottlenecks in the construction of housing stock, and help in assessing the potential supply of new dwellings. Shortages of land can have a significant impact on the availability and pricing of dwellings in an area. In new land-release areas, the availability of un-serviced and serviced lots will be relevant, while in established areas redevelopment sites may also be significant.

The Department of Planning may also be approached to provide data on the availability of lots from the Metropolitan Development Program for LGAs in the Sydney Metropolitan Area.

Step-by-step summary: housing supply

- Examine the change in housing supply trends shown in Table S1 of the Housing Kit Database. Comment on the size of stock (number of bedrooms) compared to other areas.
- Examine the trends in housing tenure in the area. In particular examine the trends in low cost rental tenure between 1991 and 2001 (Table S2). Compare and update this data from the census by using data for bond lodgements and public housing stock (Tables S3 and S4).
- Use Table S5 to provide an estimate of recent housing approvals in the area.

Knowing the local players

The decisions of a number of 'actors' determine the supply of housing. To understand trends in housing, you must know something about the role and motivations of these actors.

A complete analysis of the interaction of all these actors is obviously a large task. Focus on the actors that affect crucial elements of the housing supply (such as new build, low-cost rental accommodation, and boarding house stock) to keep the task manageable and ensure that the main supply-side issues are identified.

Builders/developers

Developers have a major bearing on the type and quantity of housing that comes onto a local market. Hence, it is useful to have some understanding about the motivations of developers and an appreciation of the factors that stimulate or inhibit their activities in an area. Focus on developers who concentrate on the affordable end of the market.

Your first task could simply be to develop a profile of the active developers/builders in the local market by interrogating your Council's development application register. Talking to a sample of these developers can provide valuable insight into supply trends in your area:

[Urban Development Institute of Australia](#)
[Property Council of Australia](#)

[Master Builders Association](#)
[The Housing Industry Association](#), especially its [Economics Group](#)

Private landlords

Landlords have a crucial impact on housing opportunities for low-income households in an area. Information on the motivations of landlords is available at a larger scale (for examples, see Yates, 1996; ABS, 1998) but less information is available at the local level.

There are a number of options for obtaining information on the motivations and intentions of landlords. They range from a traditional survey approach, to the monitoring of a small number of what are considered representative landlords. It will be important to include landlords that control threatened stock such as boarding houses and residential parks. Another possible source of information could be [registered estate agents](#) in your local area. Information on landlords operating locally can also be obtained from the Council's Rate Database.

Public and community housing providers

The Department of Housing is traditionally the major supplier of affordable housing to those who have difficulty accessing or sustaining accommodation in the private market. It is important to establish their plans in the market. A local area plan may be available for your area from the Department of Housing. Community housing is a growing component of the NSW Government's overall strategy of providing housing assistance to those people most in need. Community housing is managed by not-for-profit housing organisations: approximately 16,000 dwellings in NSW are managed by such organisations, which include Housing Associations, housing cooperatives, and other non-government and church organisations. The dwellings are leased from the Department of Housing, private landlords and other government agencies or, in some cases, owned by the organisations themselves. Most dwellings provide medium to long-term residence and about 10 per cent are used for crisis accommodation. Information on community housing associations in your region is available from the [Office of Community Housing](#).

Local councils and their policies

Your own local council has a significant influence on the quantity and quality of housing within its boundaries. As already discussed, this influence is exerted through two main policy instruments: building regulations and land-use zoning.

Councils sometimes operate to protect the status quo, responding to the desire of some residents to maintain the residential amenity of the area, which is usually defined in terms of a low-rise, landscaped, detached housing environment. Such an approach may restrict the housing opportunities of other groups and the development of other housing types. Such a policy also fails to acknowledge the changing nature and mix of Australian households. However, on the other hand, maintaining the status quo can help to deter the displacement of residents and hence the breakdown of established social networks in the local residential community.

The task here is to discuss the impact of the council codes/regulations on housing opportunities within the area. Information about the impact of local council policies may be available from the dialogue you have established with local developers (see above in the builders/developers section).

Resources: Housing market analyses produced by Housing NSW

Housing NSW produces new or updated reports analysing local housing markets on request for local governments. The available analyses may be accessed [here](#). Note that some are more

recent than others.

[Ashfield](#) [Auburn](#) [Ballina](#) [Bankstown](#) [Baulkham Hills](#) [Blacktown](#) [Blue Mountains](#) [Botany](#) [Broken Hill](#) [Byron Bay](#) [Camden](#) [Campbelltown](#) [Canada Bay](#) [Canterbury](#) [City of Sydney](#) [Coolamon](#) [Corowa](#) [Eurobodalla](#) [Forbes](#) [Gosford](#) [Hastings](#) [Hawkesbury](#) [Holroyd](#) [Hornsby](#) [Hunters Hill](#) [Hurstville](#) [Kiama](#) [Kogarah](#) [Ku-ring-gai](#) [Liechhardt](#) [Liverpool](#) [Manly](#) [Moree](#) [Plains](#) [North Sydney](#) [Pittwater](#) [Queanbeyan](#) [Randwick](#) [Rockdale](#) [Ryde](#) [Shellharbour](#) [Shoalhaven](#) [Strathfield](#) [Sutherland](#) [Tamworth](#) [Temora](#) [Tweed](#) [Upper Hunter](#) [Warringah](#) [Waverley](#) [Willoughby](#) [Wingecarribee](#) [Wollondilly](#) [Woollahra](#)

[Explanatory notes pdf](#)

[Explanatory notes word doc](#)

For further information on these housing market analysis reports, contact Philippa Davis, Senior Housing Analyst, Portfolio Strategy and Planning, on 02 8753 8525 or philippa.davis@housing.nsw.gov.au

Step 3 - Assessing Trends

[Context of the Analysis](#)

[House Prices](#)

[Rents](#)

[Housing Stress](#)

[Housing Affordability](#)

[Vacancy Rates](#)

The interaction between the supply of housing and the demand for housing generates price outcomes in the housing market. Supply shortages and high demand will lead to higher market prices, whilst oversupply and low demand will have the opposite effect on prices. Relative price levels over time and across geographic or political boundaries are thus a reflection of local dynamics of supply and demand. Note that prices at any given time only reflect the prices of the amount of 'active' stock – housing stock actually available for sale or available to rent on the market at that time. This section examines house prices, rents, housing stress and vacancy rates as indicators of the state of the local housing market.

Context of the analysis

Depending on how you have defined your housing market, it will be important to consider your local area in the context of surrounding areas. Using the Local Government Area (LGA) as a study area in our market analysis can provide a misleading picture when the overall operation of the market is examined. The market may appear to be in 'balance', but this could simply be because prices may have forced many people out of the area in search of more affordable housing. In other words, the housing problems may have simply been exported into an adjoining area.

House prices

There are a number of sources of data on house prices. However, these data sources may need to be considered with care, particularly concerning the issue of timeliness. The Department of Housing [Rent and Sales Report](#) is a suitable data source for prices and rents. Data from this publication has been extracted in Table M1 of the Housing Kit Database.

The price data in the Rent and Sales Report is based on sales statistics provided on the 'Notice of Sale or Transfer of Land' form that is lodged with the Department of Lands (Land and Property Information division) after the settlement of contracts. Sales prices are not reported in any geographical area where there are ten or fewer sales. Statistics calculated from sample sizes between 10 and 30 are shown by an 's' in the relevant table. Use this information with

caution, especially when assessing quarterly and annual changes. In non-metropolitan areas, only statistical subdivisions are available (not LGAs), because of the smaller number of sales in many non-metropolitan areas.

The median sales price is the most useful data item — it marks a point at which equal numbers of properties are below and above the median value. Unlike means or averages, medians are not significantly affected by unusually high or low values.

Individual sales are allocated in time periods according to their contract date since the sale price is usually agreed on or before the contract date. In many instances, there is a considerable time lapse between the contract and transfer date. Sales data are reported three months after the end of the reference quarter, when about 80 per cent of the contracted sales have been notified. The quarterly and annual changes are based on revised figures for the previous quarters. (The figures are revised because more property sales are reported.) Since a variety of factors create anomalies in the sale price attributable to particular properties, the lower and upper five per cent of sales prices in each LGA are excluded. At the LGA level, this does not affect the median but moves the quartiles slightly towards the median. Strata title properties usually include town houses, flats/units and so on, while non-strata properties are usually separate houses.

Rents

The Department of Housing Rent and Sales Report provides a guide to rents in your region. Stable rents indicate reasonable balance between supply and demand for rental dwellings in the area. When analysing rents it is important to remember that rents may have a seasonal pattern. For example, they may increase when the university year starts or during holiday periods.

When median rents from the Rent and Sales Report are used to examine trends in a local housing market, care must be taken. It is quite common for a number of negative quarterly changes in median rents to occur following large increases in the previous quarter. These variations are related to the method of data collection, which measures rents by taking a sample that is not random — it records the data only for bonds lodged during the quarter. The properties for which bonds are lodged in a particular quarter may be atypically low or atypically high. In these cases, when the next quarter is compared, median rents may subsequently decrease or increase significantly.

Housing stress

There has been much debate in recent years about appropriate measures of [housing stress](#) (see [Addressing Affordable Housing](#)). While simple ratio measures of housing stress (that is, housing costs divided by income) have a number of shortcomings, they are simple to calculate and are available from the census. The benchmark is usually set at 30 per cent — that is, it is assumed that lower-income households paying more than 30 per cent of their income in rent or mortgage costs are experiencing housing stress. Lower-income households can be defined in a number of ways. The two most widely used approaches are:

- those households whose gross income falls in the bottom 40 per cent of the income distribution; or
- the (larger) group of households who have gross income below 120 per cent of the median household income.

Table M2 of the Housing Kit Database contains numbers of households with household income below 120 per cent of the median household income paying more than 30 per cent of their income in rent (by LGA). This information has been compiled by the Department of Housing and uses Census data as the main building block.

Housing affordability

A standard test of affordability of housing in the housing market is “at what price or rent do housing costs (rent or mortgage) exceed 30 per cent of gross household income?” Tables 1 and 2 in the section on [Addressing Affordable Housing](#) provide an indicative guide to the rents and house prices (sometimes called price points) that will be affordable for lower-income households based on this test. The first table below shows the cut-off for the cost of renting or purchasing under this benchmark for incomes ranging between \$20,000–80,000. The second table shows the same information for defined target groups (‘very low income’, ‘low income’ and ‘moderate income’ households). These categories are sometimes used to determine to whom affordable housing should be allocated. (See, for example, the definition in the NSW Environment and Assessment Act 1979 as amended in 2000.) Calculations based on adjusted median income levels for Sydney and for the remainder of NSW respectively are shown in this table.

It is possible for councils to calculate local price points for housing that is affordable to the low-income population in their area from census data. However, between census periods, this may not be very accurate as house prices and rents in particular can change quite sharply. Data is presented in Table M3 of the [Housing Kit Database](#).

More discussion of measuring the affordability of housing is given in the Kit accompanying document, [Addressing Affordable Housing](#).

Vacancy rates

Another good measure of the state of the private rental market is the vacancy rate. An industry rule of thumb is that a three per cent vacancy rate represents a balance between supply and demand for rental housing. Less than three percent represents a shortage and will lead to upward pressure on rents. However, consistent data on vacancy rates is difficult to obtain. A possible surrogate variable is the ratio of new bond lodgements divided by total bond lodgements.

Step-by-step summary: Market trends

- Examine the change in prices and rents shown in Table M1 of the [Housing Kit Database](#). Comment on the medium terms trends especially in relation to your comparison regions.
- Examine the amount of housing that is affordable to rent or purchase in your area and compare that with the number of households in housing stress (Tables M2 and M3)
- Estimate the vacancy rates for key stock in the LGA (Table M1).

Step 4 - Interpreting your findings

At this stage in your market analysis, you will have collected data on various indicators of the characteristics and trends in your local housing market. As you have progressed through your analysis and consulted with relevant stakeholders and experts, you will have been forming a picture of the key drivers behind these market trends and attributes. Throughout the [Housing Kit Database](#), examples have shown you how to interpret typical housing market trends (such as the rate of household growth, changes in the structure of households, and changes in the supply of low cost housing) and their impacts.

This evidence now provides the basis for deciding upon the most appropriate housing strategy for your area. If a clear picture of your local market has not emerged at this point, or if you have identified any outstanding issues, you may decide that further research or consultation is required.

In deciding on your key conclusions useful initial questions to consider are:

- Is there a reasonable balance between supply and demand?
- Is the housing being provided both affordable and appropriate?

If the answer to either question is No then it is important to develop some strategies to address these issues.

Answers to the more detailed set of questions below will help to identify appropriate responses when [Preparing a Local Housing Strategy](#).

- Is a large new stock of housing likely to be required?
- Is this need for new stock related to employment trends?
- Is existing housing stock a good match for the demographic profile of the area?
- Is there a particular group who are missing out?
- Has there been a marked loss of low-priced stock in recent times?
- Are there large concentrations of low-income households in the area?
- Is affordability a major concern?

Identifying local opportunities

While undertaking the local housing market study, it is useful to compile a list of housing opportunities. This might be a list of some vacant sites in public ownership; it might be some rezoning opportunities, some public housing sites that are undeveloped, or some planning regulations that could be changed. These opportunities can then be taken up when preparing a Local Housing Strategy.

Step 5 - Monitoring your Assessment

Once an initial picture of your local housing market is compiled, it is important to keep this picture up-to-date. A number of variables in the Housing Kit Database are updated at least once a year. This should enable you to revise your housing market study regularly.

Data can also be collected periodically from other primary sources. For example, North Sydney Council conducts a regular survey of boarding houses. A housing question could be included in omnibus surveys undertaken by council. Sutherland Council, for example, has a comprehensive surveying strategy.

However, in order to track changes in the local housing market, it is most important to keep talking to major players and stakeholders. For example:

- Real estate agents will help identify marked changes in housing prices/rents and any changes in the vacancy rates.
- Community groups, especially community housing organisations, will be able to provide commentary on demand and supply trends in the area.
- Similarly, Indigenous Housing Organisations and Aboriginal Land Councils will be aware of changes affecting their communities.
- Interagency groups hosted by councils will often be a good source of information on people in housing need.
- Regional Organisations of Councils can often provide updates of housing market trends in their regions.
- Staff at your Local Department of Housing office may be able to provide information on broad trends in housing demand and supply in their region.

This kind of continuous monitoring will form an essential component of the monitoring and evaluation process, discussed below.

Having completed the housing market analysis you will now have all the information at hand to prepare a problem statement. If you have worked through each of the above steps you will now have a functional definition of the local housing market, an analysis of the strategic

context, an analysis of the prevailing market trends (including a wide range of socio economic data) and the problems being experienced in the local housing market. Some of the key issues you will have addressed might be trends in housing prices and rentals and changes in levels of affordability among different types of households. Ideally, you will have identified the kinds of households experiencing housing stress and in what localities, and you will have a comprehensive list of all policies which impact on the functioning of the local housing market, and a good sense of who all the local stakeholders and role players are. These form the basis of the next step in the process, i.e. setting local housing goals and objectives. Each set of problems and opportunities must be addressed by a specific goal and related objectives if the housing strategy is to be comprehensive in its scope.

Developing Local Approaches

Advocacy and Partnership

Council can take a leading role in providing information about local and sub-regional housing needs, bringing regional stakeholders together or advocating on behalf of the local community, through the following types of actions:

- promoting the Local Housing Strategy (or council's range of housing initiatives) locally, taking active steps to build local interest and support for housing objectives, and publicising progress in achieving these objectives, through:
 - media releases about the need for certain types of housing within the community, or about new housing initiatives
 - official openings of housing projects, design competitions for projects incorporating affordable housing
 - sponsorship of housing seminars open to the public, encouraging local schools to undertake projects relating to housing
 - offering awards for local housing initiatives;
- contributing to broader initiatives to achieve housing objectives at sub regional, regional, or state levels. (This may involve activities as diverse as participating in the investigation and development of private financing options, providing housing related input to regional planning strategies, or working with the real estate and boarding house sectors to examine encouragements for rental and boarding house accommodation at the local or sub regional level);
- reviewing council's brochures, public documents and website to ensure that opportunities to promote council's objectives and strategies for housing are appropriately incorporated;
- educating developers about more appropriate and environmentally sustainable housing types.

Community Services and Development

The following community service approaches may be considered:

- coordinating or contributing to an emergency referral network for homeless persons (if identified as a high-needs group);
- providing support through council's community services to enable people to continue living in their existing premises, by planning the delivery of existing services (such as home nursing, community transport and emergency assistance) in the context of the housing strategy and ensuring effective targeting of assistance;
- providing special support services for residents of residential parks;
- coordinating services for low income or disadvantaged social and private housing tenants;
- providing grants or rate relief to ensure the financial viability of low-cost accommodation.

Developing Local Approaches

Once you have a clear understanding of local housing needs from your housing market analysis and have agreed on a set of local housing objectives, it is time to develop specific strategies to achieve them. Options available to councils range from the use of planning mechanisms through to information and advocacy and community development or service initiatives relating to housing. Several potential approaches are summarised below.

[Responding to market characteristics](#)

[Urban planning](#)

[Community services and development](#)

[Facilitating affordable housing projects](#)

[Advocacy and partnership](#)

[Selecting and prioritising approaches](#)

Facilitating Affordable Housing Projects

Council can facilitate specific housing projects to address local housing needs by:

- encouraging or initiating projects incorporating affordable housing or housing for special needs groups by identifying suitable sites, conducting feasibility assessments, negotiating with land owners and bringing together interested developers and managers, streamlining the development approval process;
- negotiating with other government bodies to use surplus land holdings;
- working with social housing landlords to promote new, mixed residential developments within or near large social housing estates, through changed planning controls that encourage new residential development configurations, infill residential development or development at higher densities;
- contributing land or funds towards affordable housing projects, perhaps to leverage other sources of government and private finance for affordable housing and to attract an affordable housing project to the area. (For example, funds could be provided to a local housing provider, which has access to other funding sources. The local housing provider could take responsibility for the acquisition and management of housing under an arrangement that also ensures that council's housing objectives are met);
- establishing a housing trust fund to enable pooling resources (such as any money held in the Affordable Housing Fund generated through planning mechanisms and through SEPP No 10) with adjoining councils and not-for-profit organisations to enable a project of a viable size to be undertaken;
- advocating the provision of some housing units within larger developments for acquisition at cost price or below market value by an affordable housing provider or under council's affordable housing program;
- offering further support for not-for-profit housing providers' projects to strengthen their capacity and facilitate their operations (including financial incentives such as rate reductions or rebates, or giving priority to local providers in the management of any affordable housing funded through local planning contributions to council);
- engaging a community housing organisation as tenancy and property manager for affordable housing opportunities created by planning strategies to ensure that any affordable housing generated is actually providing housing to people in need. For example, a developer could agree to provide a number of units capped at an affordable rental for lower-income households for a specified number of years. These properties could be head leased to a local provider that would take responsibility for identifying eligible tenants and managing the property and tenancy for the agreed period. Similarly, if affordable housing were to be acquired by council, it could be head leased or transferred to a not-for-profit provider. Councils may also wish to involve local community housing providers when developing relevant planning provisions;
- introducing support for affordable housing projects that meet identified occupancy and affordability criteria. A development proposal that meets the requirements for an "affordable housing project" could become eligible for a range of assistance, such as planning

incentives in the form of density bonuses, expert planning advice, support with conducting community consultation and financial incentives (like reduced fees and section 94 contributions). Any state or federal government assistance available (such as incentives for boarding houses) or other support (as may be provided through the Centre for Affordable Housing, for example) could also be included in the package.

Responding to Market Characteristics

The following table shows various results that might have emerged from your local housing market analysis in different types of market situations, and matches them with potential ways of responding to these specific results should they occur.

From market characteristics to a Local Housing Strategy

Housing market analysis	Potential approach
Need for new housing due to forecast increase in households and or population	Assess existing supply of residential land; identify new housing opportunities and consider rezoning for residential uses or higher density residential development in appropriate locations (near transport and services).
Need for larger/smaller dwellings, or adaptable/accessible dwellings due to changing demographic profile and household size e.g.: <ul style="list-style-type: none"> increase in numbers of families with children or group households increase in couple or lone person households ageing population 	Assess residential development opportunities, and consider changing zones or development controls to encourage: <ul style="list-style-type: none"> appropriate residential lot sizes to meet projected housing need and promote housing diversity a sufficient new supply of larger or smaller dwellings (for instance, a requirement that medium density developments include a minimum number of one, two and three-bedroom configurations) a sufficient supply of adaptable or accessible housing (for instance requirements that certain housing forms include a proportion of adaptable housing) a sufficient supply of well located housing suitable for seniors (a NSW council may choose to develop their own <i>Seniors Living Policy</i>)
Need for additional housing for projected population increase associated with forecast economic/employment trends, e.g.: <ul style="list-style-type: none"> anticipated new industrial development growth in service sector ageing population and need for aged care services seasonal employment trends 	<ul style="list-style-type: none"> Assess existing supply of residential land; identify new housing opportunities and consider rezoning for residential uses or higher density residential development in appropriate locations (near transport and services) Consider introducing planning approaches to ensure affordability of housing for “key workers” and those in the service sector (e.g. nurses, personal care assistants, childcare workers, hospitality staff, teachers, police)

	<ul style="list-style-type: none"> Consider need for appropriate seasonal housing opportunities, such as well located and serviced caravan parks, manufactured home estates, or zoning provisions for temporary/permanent employee housing.
<p>Proportion of population on very low incomes experiencing housing stress or at risk of housing stress, including:</p> <ul style="list-style-type: none"> Increasing numbers of homeless people or people at risk of homelessness People living in semi permanent accommodation such as residential parks and manufactured home estates 	<ul style="list-style-type: none"> Consider the introduction or enhancement of local community services for people in housing need, such as an emergency referral network, or services for people in caravan parks and manufactured home estates Consider developing a joint venture or partnership with a social housing provider or community organization to provide crisis accommodation or support services.
<p>High spatial concentrations of people on low incomes, who may be at risk of social marginalisation or exclusion, such as:</p> <ul style="list-style-type: none"> Large public housing estates Large concentrations of private tenants on low or moderate incomes 	<ul style="list-style-type: none"> Consider working with social housing landlords to improve services for tenants or to promote new, mixed residential developments within or in proximity to large estates Consider ways to coordinate services for low income private tenants
<p>Loss or shortage of low cost rental housing stock and declining housing affordability, e.g.:</p> <ul style="list-style-type: none"> loss of low cost rental housing opportunities such as boarding houses, rental flats, older housing stock, caravan parks, manufactured housing estates loss or potential of lower cost home purchase opportunities due to forecast increase in housing demand, due to population increase or likely process of urban renewal or gentrification shortage of social housing opportunities (e.g. public or community housing, relative to demand) 	<p>Consider planning approaches to protect, promote or provide affordable housing, such as:</p> <ul style="list-style-type: none"> controls to protect existing sources of low priced housing stock (and the development of internal training and/or guidelines to maximize efficacy of existing planning controls, such as SEPP 10) ensuring an adequate supply of serviced residential land or redevelopment opportunities (subject to local capacity) controls to allow and encourage more affordable and diverse housing types, such as mixed commercial/residential development examining the impact of development controls on housing affordability, and ensuring that a wide diversity of housing forms are permissible in as many well located areas as possible Consider facilitating specific housing projects for affordable housing or special needs groups (refer internal link) Develop an advocacy strategy to

	demonstrate the need for more affordable housing within the local community
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Selecting and Prioritising Approaches

In developing local approaches to implement your Housing Strategy you will need to consider:

- the particular housing needs of your local community, identified through your housing market analysis;
- the feasibility of a particular approach within the local context;
- the availability of financial resources and staff expertise and time, and whether the approach is the best use of these resources;
- the potential impact of the approach in relation to the overall aims and objectives of the strategy (and other alternative approaches);
- political support for any particular approach or, in the case of potential political opposition, whether there are strategies to address this;
- consistency with other actions identified in the strategy and council's other plans and corporate objectives;
- potential unintended consequences of a particular action (Would a new planning requirement for a certain type of housing result in reduced development viability?)

Linking the Strategy to Council's other strategic plans

Local housing strategies should be closely linked to Council's other planning responsibilities and processes. It may not even be necessary to prepare a separate Local Housing Strategy. Rather, elements of the strategy can be incorporated within council's existing strategic processes and plans, for instance:

- a local social planning process could include a focus on housing needs and responses
- a local environmental study to support a land-use planning process should include an analysis of potential residential land capacity and constraints; population trends and corresponding housing needs; sustainable residential design appropriate to the local context
- Council's statutory land-use plans could provide legal support for local housing objectives, by incorporating them in the overall aims of the plan, and by including specific mechanisms to achieve them through the planning process
- a local economic strategy could develop mechanisms to attract appropriate workers or new residents through specific housing policies, such as housing for retirees, rural residential housing, or employee housing

- Council's corporate plan may need to include provisions to support and operationalise housing related initiatives.

A combination of these approaches, tailored to the circumstances of each individual council, is likely to be appropriate. However, to ensure that Council's specific housing objectives and initiatives are not 'lost', it is important to review and update the key elements of the housing strategy regularly.

Urban Planning

Land-use zoning and design or building controls shape the location, configuration, design and availability of housing within a particular area. The following sections outline key areas for consideration to ensure consistency between planning approaches and your housing strategy.

[Planning objectives](#)

[Land-use planning controls](#)

[Specific planning approaches for affordable housing](#)

Planning objectives

Ensure that land-use planning objectives reflect and support the goals and objectives you identified in Step 3 of preparing the Local Housing Strategy.

Local Environmental Plans in NSW contain overall objectives, as well as specific objectives for each land-use zone. These objectives provide important guidance about how the plan should be interpreted. It is important to ensure that the objectives of the plan reflect and support those contained in Council's Local Housing Strategy.

Examples of some general objectives for affordable housing include:

- promote a variety of housing (including affordable housing), accommodating a range of income groups, and increase housing choice;
- facilitate the development of a broader and more appropriate range of affordable housing types in the private sector.

Land-use planning controls

Land-use planning controls ensure the planning framework provides for an adequate supply of new housing and a variety of housing types in appropriate locations, particularly considering the supply of appropriately zoned land.

A fundamental consideration is whether there is sufficient residential land for projected housing need. Depending on your community's forecast housing need, it may be necessary to rezone appropriately located land to allow it to be used for residential purposes or for higher-density residential development. Requests for re-zoning of land made by landholders can be negotiated in the context of future development complying with, or otherwise pursuing, housing strategy goals.

At the same time, it is important to consider whether planning controls regarding residential subdivision and the design of housing support Council's housing strategy. Key considerations include:

- Do existing controls over the size of residential allotments support housing affordability and environmental sustainability goals?
- Do existing residential zones provide for sufficient housing diversity (an appropriate mix of smaller and larger dwellings, adaptable or accessible housing, and housing for the aged), consistent with forecast housing needs?

- Do residential design codes support housing affordability, appropriateness and environmental sustainability goals?

Specific planning approaches for affordable housing

Where appropriate, introduce specific mechanisms to protect, promote or require certain housing types such as adaptable or accessible housing, smaller or larger dwellings, accessory dwellings, or affordable housing. See the Kit's companion document, [Using Planning Mechanisms for Affordable Housing](#) for further information.