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Success for city deals that connect affordable housing and jobs: report

- In both Sydney and Melbourne, there remains a mismatch between the location of jobs and affordable housing for low income workers.
- City deals and regional strategic plans need specific strategies to ensure that rental accommodation remains affordable and available to low income households.
- Plans for satellite cities such as Geelong and Wollongong need to support local job growth while preserving affordable rental supply and other housing options.

City Deals that connect jobs and affordable housing for workers in Australia's cities and regions could be the key to urban productivity growth, new AHURI research reveals.

The research, 'Strategic planning, 'city deals' and affordable housing', undertaken for AHURI by researchers from the University of Sydney examines the issues with place-based planning and funding interventions, both locally and overseas, delivering affordable rental housing.

The report finds that City Deals and similar place-based funding programs can help kickstart new economic opportunities in areas, but they need explicit support for affordable housing if lower income workers are to find homes close to employment opportunities.

In both Sydney and Melbourne, there remains a mismatch between the location of jobs and affordable housing for low income workers, and in both cities affordable rental housing is more prevalent in areas that are not currently serviced by passenger rail networks. In Greater Sydney, affordable rents are found predominantly in outer suburbs generally more than 50 kilometres from the job-rich CBD suburbs.

'City deals and regional strategic plans need specific strategies to ensure that rental accommodation remains affordable and available to low income households,' says Professor Nicole Gurrán from the University of Sydney. 'Our analysis points to the need for different types of interventions to address housing affordability and job accessibility in different localities.

'In areas that are job and transport rich, and where median market rents significantly exceed affordable levels by more than 20 per cent, rental housing affordable to lower income households is only likely to be delivered as a result of statutory planning policies and funding programs that support the development of affordable housing for which eligibility is restricted to target households.'

'In areas which are affordable but don't have lots of jobs, infrastructure investment can help connect households with employment. However, as outer suburban areas may have affordable median rents but not necessarily a significant supply of rental housing, policies to support diverse housing, including rental housing, need to be considered in conjunction with infrastructure

investment. In addition, affordability may not be preserved over the long term without strategies and policies to support it.'

The report also looked at the role satellite cities, such as Geelong in Victoria and Wollongong in New South Wales, can play in offering affordable rental accommodation. These satellite cities are linked to Sydney and Melbourne by high-quality transport connections and can provide affordable rental housing opportunities, but there is a paradox in that the government strategies designed to improve connectivity to capital city employment centres are also seeking to attract and retain a labour market to live and work in the local area.

The report found that strategies in satellite cities like Geelong and Wollongong need to support local job growth while preserving affordable rental supply and providing a spectrum of other housing choices.

'It is important that housing growth in these smaller cities is balanced by local employment and transport opportunities to ensure that lower income working households are not forced to commute long distances to major cities,' says Professor Gurrán.

'These satellite cities often have high car dependency and there is a risk that new residential areas will be poorly served by public transport, undermining affordable living objectives.'

The report can be downloaded from the AHURI website at <http://www.ahuri.edu.au/research/final-reports/331>

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