



Diverse family types – moving beyond the nuclear family Image courtesy the authors

# Mind the gap

Ben Coulston, Brooke Jackson and Gerard Reinmuth



Extract from Part 4 of the *Apartment Design Guide*, 2015 (NSW Department of Planning and Environment)

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The housing crisis in Australia is well documented. Both Sydney and Melbourne continually feature near the top of global unaffordable housing market lists for both purchase and rental affordability. While this fact is the dominant headline, there is a related crisis in housing diversity that is only now being given appropriate attention. A ‘diversity gap’ classifies the growing divide between the forms of housing people actually need when measured against the housing stock that is being provided and can be afforded.\*

While there are quantifiable measures that assist with the definition of affordability, measuring the specifics of housing type supply against the needs of individual households is less understood. Housing diversity, as a defined term, is a more complex label as it affords the synthesis of housing stock with household ‘family types’, geo-specific supply and demand, and in turn also calls for diverse measures of tenure for financial accessibility.

So why is housing diversity more relevant than ever? The supply of housing globally is increasingly being left to the private market to deliver. We claim that we are witnessing a seismic market failure whereby risk-return logics combined with increased financing costs and limited regulatory and tenure frameworks has produced a housing market with very limited options.\*

We are now seeing how the current limitations on what is being delivered in Sydney’s apartment market is having catastrophic impacts on the city. With the entire apartment production consisting of a mono-product (differentiated only into studio, one, two and three bedroom apartments) the market is unable to accommodate diverse ‘family types’, including multi-generational and blended families – not to mention ill-addressing the rise in solo households – and the ever-present issue of aging in place. Adding to this the singular development model has caused a stalemate for financial access to market, attributing to issues of affordability.

As design professionals we assume that our skill in spatial innovation places us in an ideal position to solve the crisis. Yet we don’t ask, is this solely a design problem?

In the first instance, we can say ‘yes’: provision of diverse spatial models is a key element to the solution (see GANSW’s *Low Rise Medium Density Housing Code and Design Guide*). Yet, it should also be recognised how housing design sits as but one contributor in an ecology of factors impacting on the current housing market and where the blockages are preventing the production of diverse housing models. While we can reference many international precedents that provide housing diversity as exemplars – including Berlin’s

Baugruppen and Zurich’s Hunziker Areal – they are illegal in NSW and much of the Australian context (in regulatory terms), unfinanceable (by the banking sector) and unaffordable (given our limited engagement with alternate forms of tenure).

This is not to say that planning controls within NSW, specifically SEPP 65 and the complementary *Apartment Design Guide* (originally the Residential Flat Building Design Code), have not done a great deal to improve the base quality of housing amenity. Yet, there are two key problems. Firstly, the ADG was designed in the context of a limited market with its simple one-, two- and three-bedroom differentiation; different housing types were not imagined in the guide. Secondly, the ADG is not used on a discretionary basis as allowed by the legislation but as a mandatory requirement. The ADG provides market stability but curtails innovation around new types.

A financial industry that understands and accommodates new lending processes could also ease some issues surrounding access to market. We have seen internationally (and even now more locally) how CHP, cooperative, private and public funding has diversified the assessment of development on default risk and broadened to allow partnership and alternative methods of securing finance.

Secure and diverse forms of tenure would then ensure the ambitions of the model are met. These would need to be selected and indexed based on demographic requirement and likely demonstrated to allow a cultural shift. Looking internationally there is no shortage of examples to show how this might be achieved: resale restricted leases, cooperative lease/purchase, community land trusts, shared equity and deliberative development to name a few.

New spatial reasoning can then finally be deployed, not in a naïve attempt to ‘solve the housing crisis’ on its own, but to provide speculative models that are tested against current regulatory, financial and tenure practices. By pinpointing the correlative aspects of these practices that constrain housing diversity at present, we may be able to make an incisive cut through the housing problem, highlighting barriers that then only government has the authority to dismantle. Until they do, the housing affordability and diversity crisis will continue, regardless of the efforts of designers.

This article forms the basis of wider body of research – *Creating the City We Want: Tackling the Barriers to Housing Diversity in NSW* – currently being delivered by Landcom in conjunction with the University of Technology Sydney (lead institution), Western Sydney University, the University of New South Wales and Terroir.

\* N Perry, A Nguyen and T Ho, *Creating the City We Want – Building the Housing Project DATA Index* (School of Business, Western Sydney University, 2018)