



Environment Institute of
Australia and New Zealand Inc.

ABSTRACT SPECIFICATIONS

Title:

HOUSING AFFORDABILITY: THE OTHER SIDE OF THE COIN

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Abstract:

Housing affordability is usually defined in terms of people's ability to pay, or costs during purchase or the life of a mortgage. Elsewhere "affordability" has been widely discussed with some agreement as to definitions (e.g. housing cost in proportion to household income).

With NSW examples, this paper will take a more holistic view of the development process from raw wholesale land through subdivision to the point of first retail sale, charting the financial costs of environmental standards, statutory requirements and all other development costs before the product (e.g. a vacant suburban residential lot) is presented for purchase.

Components which contribute to development cost will be examined, as they necessarily build during the years prior to new lots coming onto the market. That is, within a triple bottom line view of development, and with "status quo" taken as best environmental practice, what components are there in the raw cost of a residential block? What did the developer pay to get there? To whom? How long ago? What risks were involved, and of what size? What could the developer control vs what was a non-negotiable demand? What are the unintended consequences of the current system?

Tough questions will be asked: who can afford (environmental) best practice? Does planetary sustainability predominate over social consequences? As environmental professionals, where does responsibility stop for the holistic (if indirect) consequences of our work? Can our society afford the current development process? Has best practice unwittingly dissolved the social safety net for housing, contributing to increasing inequity?

Answers should not be anticipated: this is simply a challenge to the 2015 *status quo*. The purposes are (i) to reveal costs incrementally built into current development processes over recent decades; and (ii) to connect environmental assessment requirements and costs of implementation of approvals, with current social and financial outcomes.

