

A Modern Village Concept by Shelter SA

Introduction

South Australia is experiencing a housing crisis. There is not enough housing available for rent or purchase to meet the needs of all citizens who need a place to call home. Single older women are particularly vulnerable to housing insecurity and homelessness for a range of reasons including but not limited to:

- Lower paid employment opportunities over the lifetime
- Low or non-existent superannuation
- Time out of the paid workforce due to child raising and caring responsibilities
- Experiences of domestic violence

Home ownership is out of the financial reach of a growing number of households, including older single women households, due to increased land and dwelling prices. A greater number of households who do achieve mortgages are retiring without completing their mortgages, resulting in growing financial stress.

Rental affordability has diminished across the State, including in regional South Australia, so that there are no rental properties that are deemed affordable for low income households. The rental vacancy rate is at its lowest in a decade and there are a growing number of people staying in temporary accommodation and experiencing homelessness.

South Australia has lost more than 20,000 social housing dwellings over the last twenty years and it is not a coincidence that there are almost 20,000 South Australians on the social housing waiting list in 2023. The gap between paying a social housing rent and a private rent is too great now to be affordable for older single women. Aged and single income social housing applicants are not currently deemed as a priority for social housing and therefore, may never have an opportunity to access social housing.

Materials and labour shortages in the housing construction sector are adding costs and time delays to traditional builds and building companies are frequently going into administration due to delays and costs.

Disruption to traditional construction methods and the way land is harnessed to provide housing are needed as part of the solution to address the housing crisis.

Lend lease structures can drastically reduce the cost of developing new housing and increase affordability by only offering dwellings for sale, with other benefits to land owners and developers. An alternative lend lease dwelling at price point between \$150,000 to \$200,000 would enable thousands of South Australians to become home owners, even single income households and singles living alone, older people and those without access to superannuation.

At scale, a new housing product could significantly reduce the social housing waiting list and the pressure on homelessness services and other related tax-payer funded systems. Modular construction can provide financial and timeline savings to traditional builds and is an important part of the modern village concept presented here.

There are multiple modular manufacturers located in South Australia who produce a diverse range of dwellings that can be delivered in any configuration including shipping container homes, tiny

homes, studio apartments and smaller houses that would be suitable for inclusion in a modern village, a place where people choose to live and can access safe and secure housing.

The South Australian Government has made a range of commitments to increase the supply of public housing, release land for sale to the market and approvals of new housing developments however these homes will not be available to those who need a home for several years and will not be affordable for single older women living on low incomes.

To augment new supply, philanthropic investment is welcome, to assist with innovation that governments are not agile enough to demonstrate and we welcome interest in disruption to the traditional housing market.

Shelter SA is pleased to present a high level outline of how an alternative model may work for consideration underpinned by the principles and benefits below.

Modern Village Principles

- High quality design and materials
- High energy efficiency rating
- Accessible design
- Modular housing
- Access to services, transport and amenities
- Shared spaces, cafes, outdoor areas, gyms, playgrounds, green space
- Real affordability for low income households
- A social mix of residents with varying incomes, ages and families
- Home ownership opportunity not currently available in the market
- Creating housing security and wealth
- Own and operate, own and employ management or sell
- Build to rent/lend lease



Form Flow Community Concept

Benefits to Investor/Land Owner

- No GST payable for charities and not for profits
- No expensive land sub-division required
- Federal and State Government tax incentives
- Retain ownership of land
- Investor exit strategy
- Capital gains on land asset
- Social impact
- No government funding required
- Proof of concept
- Exit strategy

Build to Rent Incentives

South Australian Government

TAX CONCESSIONS TO PROMOTE NEW HOUSING OPPORTUNITIES

Our government recognises that we need to work together with the private and non-profit sectors if we want to solve the housing challenges facing our state. That's why we are offering tax incentives to encourage more affordable housing, including more options for renters.

Build-to-rent land tax concession

A 50% land tax discount will be introduced for eligible new build-to-rent housing projects. The discount will reduce the land value for land tax purposes by 50% to the 2039-40 land tax year.

The reduction in land tax is designed to support the uptake of scale investment in residential rental housing, increasing the supply of housing and creating more opportunities for renters.

Affordable Community Housing Land Tax Exemption

The Affordable Community Housing Land Tax Exemption Pilot provides eligible property owners with ex-gratia relief, equivalent to a land tax exemption for property they rent through a participating community housing provider for affordable housing purposes.

The program is running for 5 years from 1 March 2020 and is limited to 100 properties.

Affordable housing land tax concession

An affordable housing land tax concession was introduced as part of the 2019-20 Mid-Year Budget Review which provides eligible property developers with an ex-gratia concession where land being used to develop affordable housing has been aggregated for land tax with other land they own.

The ex-gratia relief is limited to one financial year for each property.

On Tuesday 9 May 2023, the Federal Government handed down its second budget, for the 2023-2024 financial year, announcing new taxation relief measures for the build-to-rent sector that are anticipated to encourage institutional and private sector investment.

- Increase the rate for the capital works tax deduction (depreciation) to 4% per year.
- Reduce the final withholding tax rate on eligible fund payments from managed investment trust (MIT) investments from 30% to 15%.

Existing Legal Structures in South Australia

- Over 50s
- Land tax exemptions
- Purchase a right to occupy (not the dwelling) until death of resident/s or exit average stay is up to 9 years
- Pay monthly fees for rates, maintenance, etc
- Village owner responsible for re-sale and refurbishment of dwellings

Residential Park Act 2007

- All ages
- Dwelling owners responsible for re-sale of dwellings
- Long term land leases 20 years + 20 years
- Park owner responsible for supply of utilities, maintenance, common areas, council rates
- Buyers cannot access first home owner grant



Purchasers

- Eligible purchasers with household income at \$30k or less per year can borrow up to \$150k with interest free deposit loan and a low deposit loan through Homestart Finance.
- Repayments on \$150k loan are \$433 per fortnight + \$70 per fortnight (land lease/maintenance) would be approximately 50% of household income for a single pensioner. For a pensioner couple it would be approximately 30% of household income.
- Does not exclude people without superannuation
- Not eligible for first home owners grant as not purchasing the land

Sales Considerations

- Utilise the HomeSeeker SA platform to positively discriminate towards low income households or open market, or a combination.
- Sell a proportion at market value and sub-market to some low income households.
- Sell a proportion and include some rentals for low income households (30% of household income as rent)
- Charities and not for profits may purchase a number of dwellings.
- Sell off the plan
- Build in stages

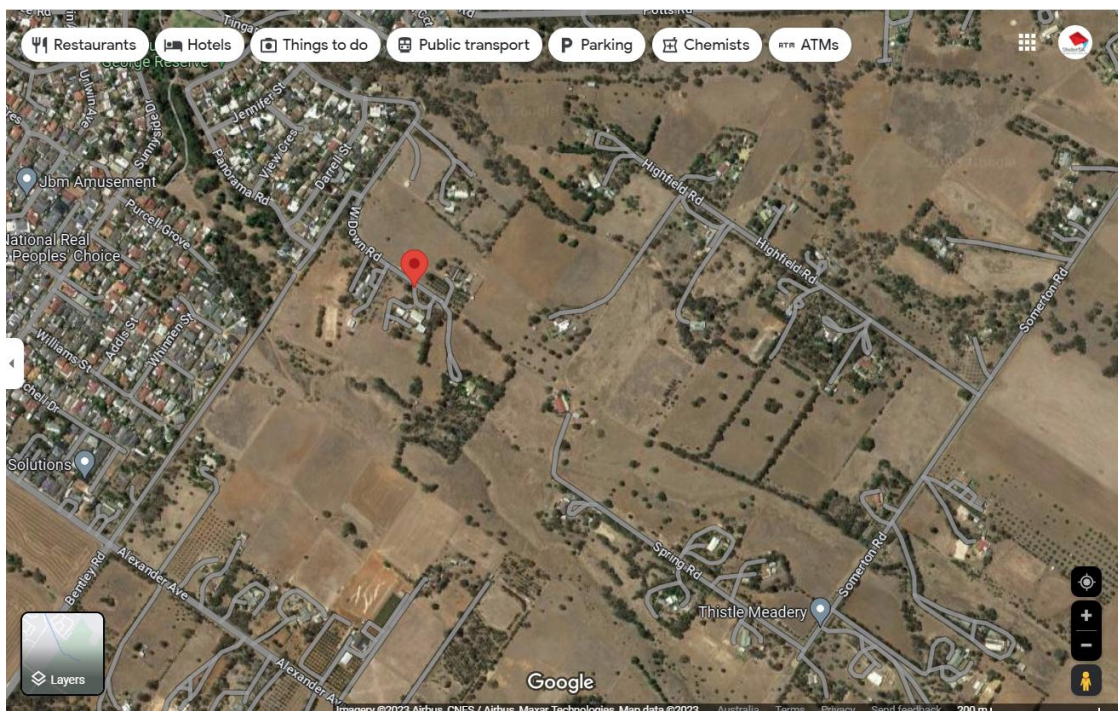
Land Example

Located in the Town of Gawler local government area the below land parcel is 40,469 metres squared (4.05 hectares) and is available for sale. The Town of Gawler is a member of Shelter SA, has assisted with the development of sustainable financial models to fund new housing projects and is open to innovative developments and planning permissions.

<https://www.realestate.com.au/property-acreage+semi-rural-sa-evanston+park-140428167>

4.05 hectares

40469m²





Price: \$204,000

Turnkey Ready Available For Delivery

FormFlow Living's seriously sophisticated modern take on the classic gable, is the perfect choice for country or coast. Made for the tough Australian climate, with revolutionary technology that protects against fire, cyclone and flood. Seriously robust, Gable One is extendable, demountable, relocatable and made to withstand anything from the outback's scorching heat to Australia's wild coastal storms. Seven star energy rated at any orientation, anywhere. That's

Form Flow Gable One can be built in four weeks and aim to reduce price to \$100,000 to \$150,000.

Build Expenses

- Land \$ 1,500,000
- 200 Dwellings @ up to \$100,000 20,000,000

Total 21,500,000

Retirement Village

Income

- Initial Sales 200 @ \$150,000 \$30,000,000
- Re-Sales (10 years) less refurbishment 20,000,000

Total 50,000,000

Average length of stay in a retirement village is 8 to 9 years

Annual Income \$70 p/fortnight x 200 \$ 364,000

Residential Park

Income

- One off Sales 200 @ \$150,000 \$30,000,000
- Annual Income \$70 per fortnight x 200 364,000

Exit Strategy – Village/Park could be sold and benefit from capital growth



ECH 6Homes Luxury Range

20ft Option – Extra Wide
Approx. 6m x 3.4m \$58,080

Luxury Description:

Turn Key – All double glazed windows and doors, stone top benches, 2-pac cabinetry, vinyl flooring. All fixtures and fittings internally are included. Roof already installed in the container with down pipes. Instant living!


Features:

Hassle-free installation
Instant space
Affordable, moveable and long-lasting space



40ft options

Approx. 12m x 2.4m. \$80,100
Approx. 12m x 3.4m \$99,000



Stronger. Smarter. Faster.
More Affordable. Kit Homes & Modular Buildings.
Approved Tender Supplier To Victorian Government and UN.

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Award Win

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FROM \$43,060 + ASSEMBLY

FEATURES



If you're looking for neat and compact cabins, the Portland is for you. Ideal as a fishing lodge, art studio, holiday cabin or a parent retreat, the Portland will catch the breezes and show you amazing views.

- Bedrooms: 2
- Bathrooms: 1
- Enclosed area: 36.84 m²
- Other area: 8.40 m²
- Total area: 45.24 m²

[View Floor Plan and Specifications](#)

\$3m for 34 dwellings @\$88,000 each 6 acreblock



June 26, 2022

QUEENSLAND MODULAR BUILDER COMMITS TO PROVIDE SOCIAL HOUSING

Eco Cottages applies to Noosa Council to build 34 modular homes to address housing crisis

Motivated by the lack of affordable housing in Cooroy, Queensland, Greg Phipps of Eco Cottages has applied to Noosa Council to build 34 modular houses on a six-acre block contributing to a private social housing endeavour.

Greg Phipps (Queensland modular builder) has been building modular homes since 2007, and the project would consist of 20 one-bedroom homes and 14 two-bedroom homes within walking distance of the Cooroy town centre.

"We were getting so many inquiries from the broad public right across the board for affordable accommodation and housing," Mr Phipps said.

Solar Potential (Form Flow)

Solar Potential - Car Park

- There is potential to utilise the car park as an area to collect solar energy.
- This could be done using the same shelter design as the drop off points
- The area highlighted is exposed to the most direct sunlight, particularly in the afternoon.

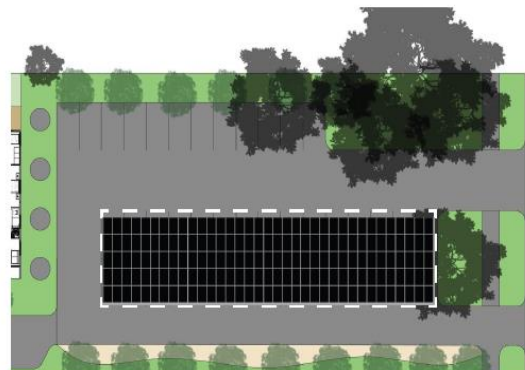
Car Park Potential

Total Area 390m²

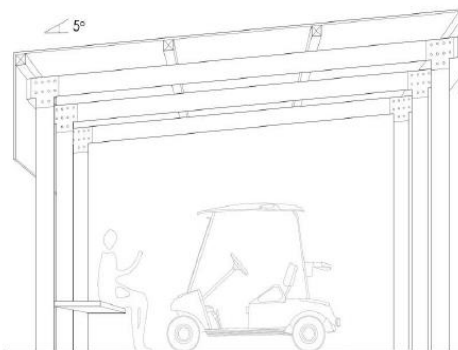
173 Solar Panels = 311m²

173 x 370W per panel per day

= 63kW per day potential



Car Park Plan



Contact

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