

# Cedar Woods

PROPERTIES LIMITED

## AFFORDABLE HOUSING

A W A R D W I N N I N G P R O P E R T Y D E V E L O P E R





# FIRST HOME BUYERS

Purchaser to be a person who:

- First Home buyer - unable to afford a large lot/home
- Developer – small lot production costs can reach an affordable price point without reducing profitability - 300m<sup>2</sup> @ \$175,000 vs 630m<sup>2</sup> @ \$240,000

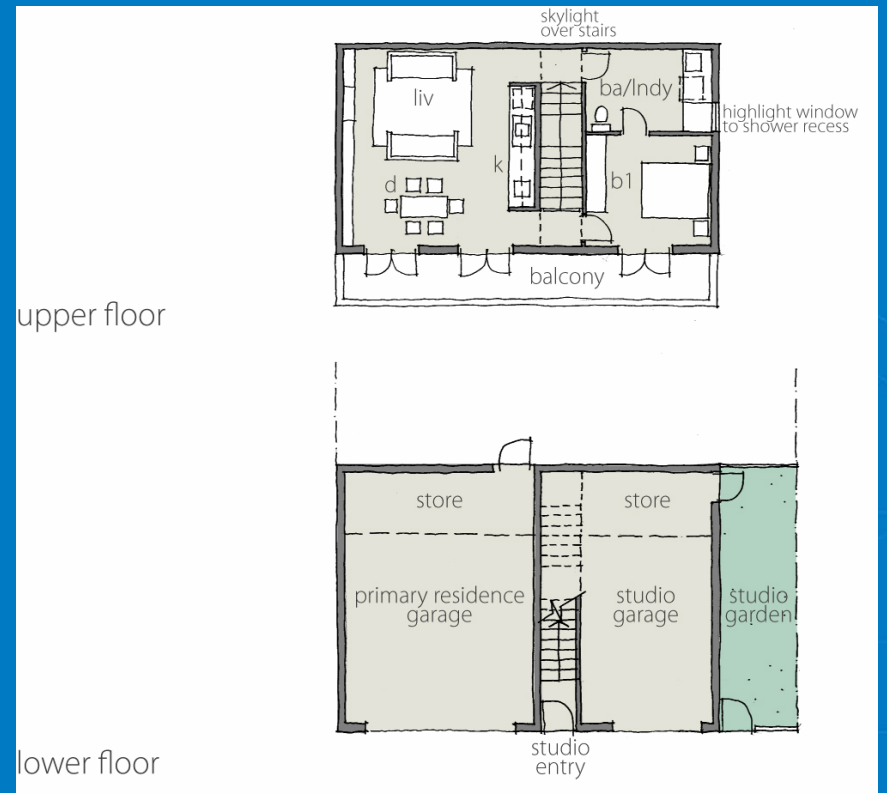
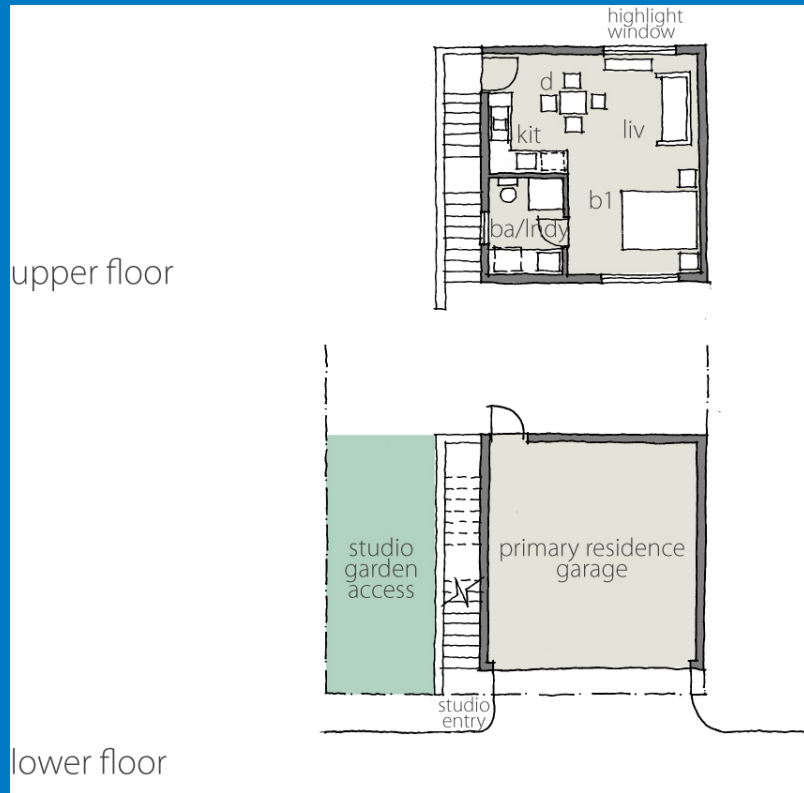
# LANE APPEAL



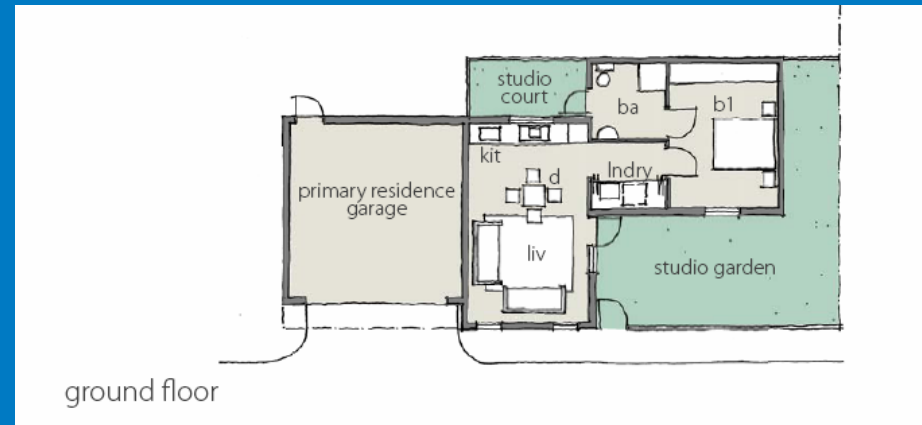
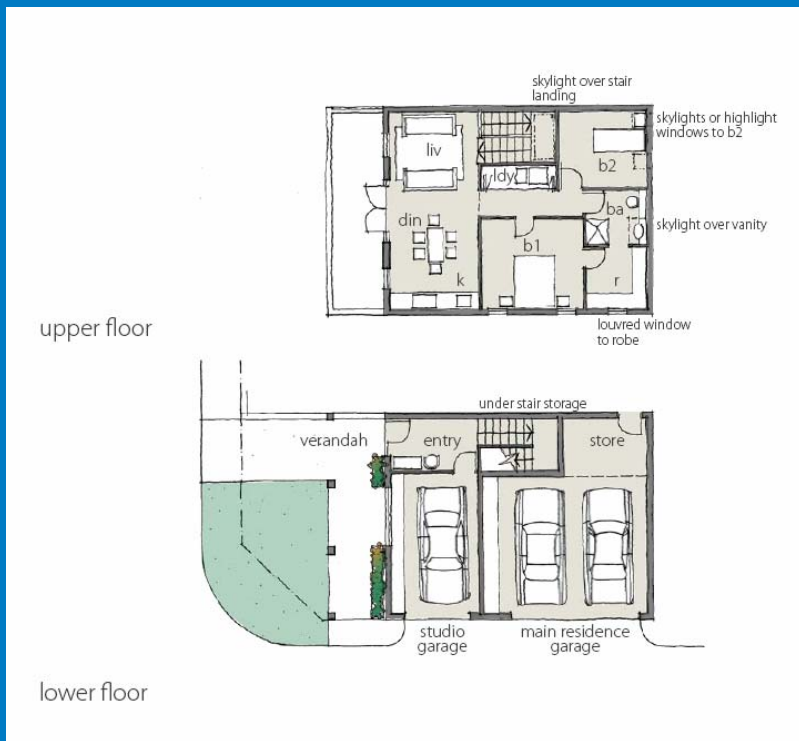
# LANE APPEAL



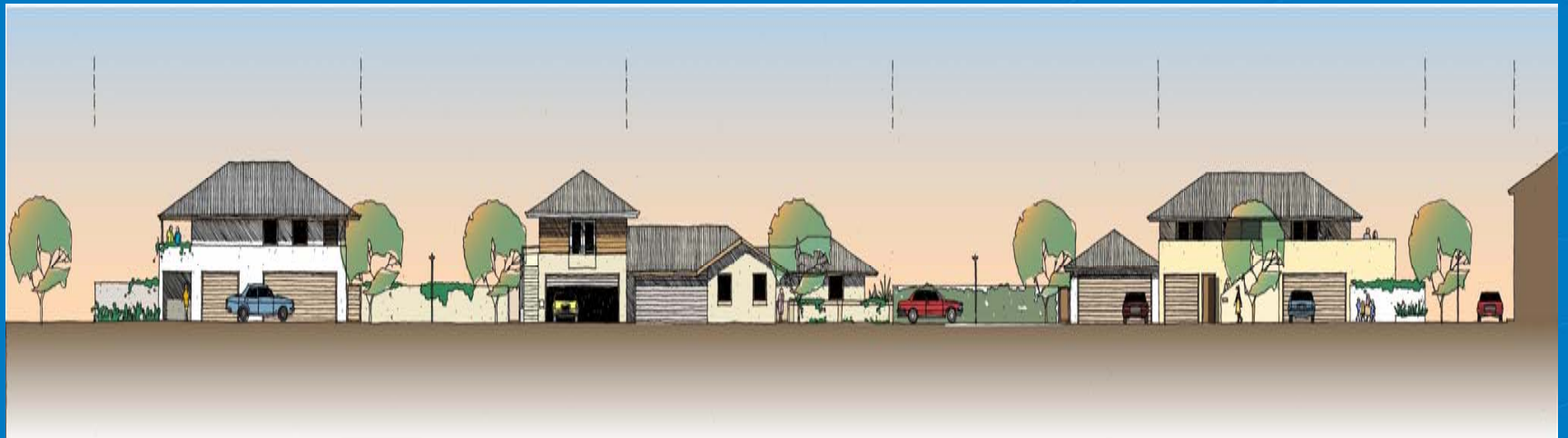
# LANE APPEAL



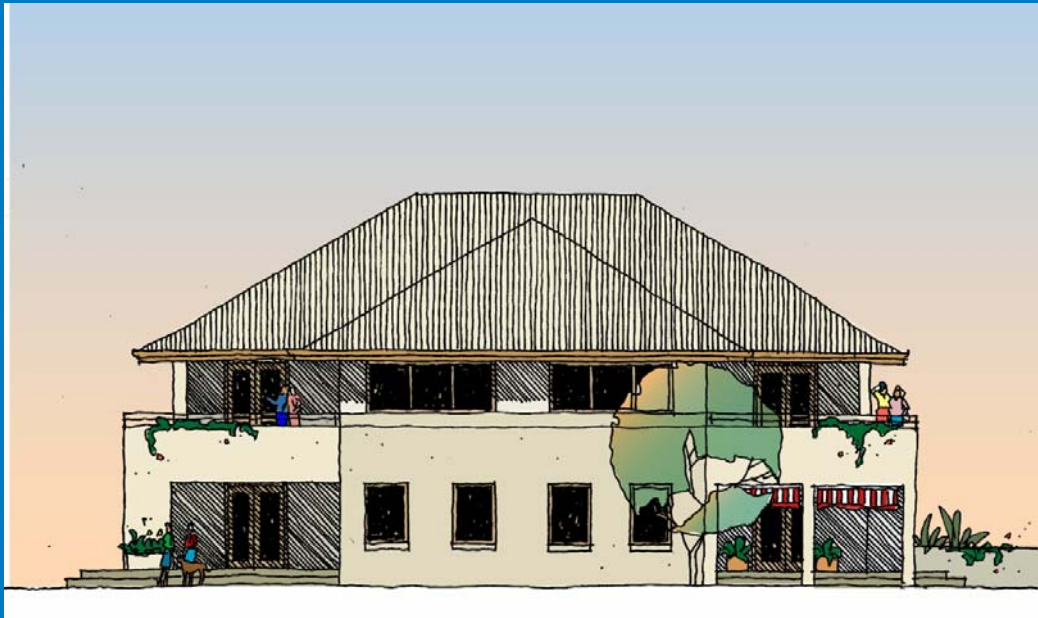
# LANE APPEAL



# LANE APPEAL



# MAISONNETTE



# DEMONSTRATION PROJECT

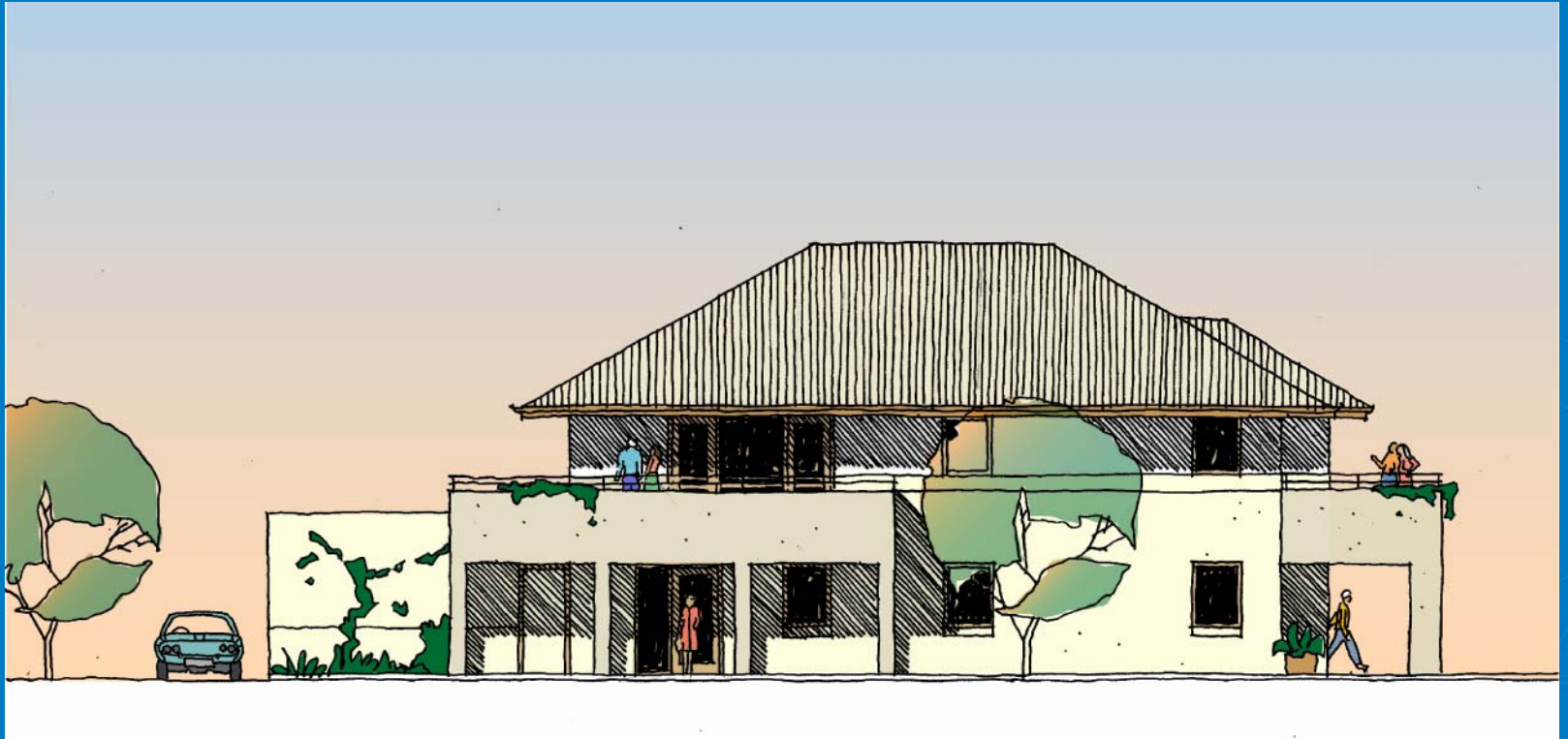
## Adaptable, affordable & sustainable living

- Partnership between Cedar Woods and City of Wanneroo
- Located within 'The Kestrels' estate
- Affordability Targets
  - reduced construction and internal fit out
  - sustainability initiatives to reduce living costs
  - density for economies of scale
  - adaptability (income stream)
- Sustainability targets:
  - Life Cycle Assessment
  - energy efficiency
  - ecological sustainability
  - water efficient landscaping
  - water efficiency
  - low allergenic living
  - universal access

# DEMONSTRATION PROJECT



# DEMONSTRATION PROJECT



# DENSITY BONUS AFFORDABLE HOUSING SCHEME

## Base case financial feasibility

- determined by zoning and performance based building envelopes

## Bonus Scheme

- waiver of density / parking

## Revised financial feasibility

- additional profitability translated into affordable housing provision

## Affordable Housing

- sold at construction cost (no land cost component)
- difference between construction cost and market value transferred free of cost to State or not-for-profit housing provider as shared equity interest – remaining equity sold to eligible purchaser

# DENSITY BONUS AFFORDABLE HOUSING SCHEME

## Example

- 12 storey building, R250 (potential 74 dwellings) – base case.
- 5 affordable dwellings (2x2 - \$150,000, 3x2 - \$190,000) – total of 79 apartments.
- developers loss on affordable apartments (cost - legal, GST profit & risk, interest, construction, rates and taxes) = \$830,000 or decline in profitability by 27.95% from base case.
- density waiver – allows maximising apartment yield, increase to 118 apartments (avg 84m<sup>2</sup>), improves profitability by 22% - includes affordable apartments.
- 2x2 affordable apartment – sale price of \$150,000 but market value of \$220,000
  - transfer \$70,000 (32%) equity interest to housing body
  - sell equity share \$150,000 (68%) to eligible purchaser

# DENSITY BONUS AFFORDABLE HOUSING SCHEME

## Whole of Government Approach

- Department for Planning and Infrastructure / Western Australian Planning Commission - use Statement of Planning Policy to set out the planning principles and Model Scheme Text to demonstrate application of density bonus scheme.
- Local Government - set performance standards (building height, setbacks, plot ratio etc) and establish affordable housing priority areas through Local Planning/Housing Strategies.
- Department for Housing and Works – on-going administration and governance of affordable dwellings / trade-off for equity share.