

Affordable housing referrals and pre-lodgement agreements

Purpose

This fact sheet provides information about referrals to the Affordable Housing Unit of the SA Housing Authority and associated pre-lodgement agreements.

It is produced by Planning and Land Use Services of the Department for Trade and Investment (DTI), which offers a pre-lodgement case management service. The team can be contacted by emailing dti.pdprelodgementenquiries@sa.gov.au or calling 1800 752 664.

What is affordable housing?

Affordable housing refers to home ownership and affordable rental offered by housing providers for low to moderate income households (approximately 60% of the population).¹

Affordable housing is a dwelling that is:

- subject to a legally binding agreement or legally enforceable obligation; and
- offered for sale to an eligible home buyer at or below a nominated affordable price point (up to \$458,700 in the CBD² as of September 2022, and updated by notice in the Government Gazette each year); or
- provided for affordable rental through an identified affordable rental provider.

Do I need to include affordable housing in my development proposal?

The Planning and Design Code includes an Affordable Housing Overlay in key locations. The Overlay requires developments including over 20 dwellings to provide 15 per cent affordable housing. Policy incentives that encourage affordable housing provision are also included.

The approval authority will consider the affordable housing provisions in the assessment of all relevant planning applications. If an application does not include affordable housing and a clear planning rationale is not provided that demonstrates the merit of the application, the approval authority may choose to use 'stop the clock' provisions to seek additional information or may refuse the application.

¹ As defined by a notice published in the Government Gazette under the *South Australian Housing Trust (General) Regulations 2010*.

² The metropolitan price point of \$417,000 plus a 10% variance for all CBD projects based on high accessibility to public transport.

Accordingly, it will be beneficial to have early conversations with your case manager and SA Housing Authority, Affordable Housing Unit about including affordable housing within your development.

When will development proposals be referred?

Development applications that include affordable housing must be referred to SA Housing Authority, Affordable Housing Unit, to determine (under delegation from the Minister for Human Services) whether the development meets the affordable housing criteria.

The Unit have 3 weeks to provide advice to the approval authority.

What does the Affordable Housing Unit do with my application?

The Unit will advise the approval authority whether there is a legally binding agreement in place to provide affordable housing. If there is not, the Unit is likely to recommend to the approval authority that it refuse the application on the basis that it does not provide affordable housing.

What is the role of the Affordable Housing Unit?

The Unit:

- meets with the proponent to understand the nature of the proposed development, and identify opportunities to integrate the affordable rental and home purchase options and to negotiate relevant legal agreements
- advises on the types of affordable housing programs available including funding and partnership opportunities, including with affordable rental providers
- markets affordable homes to eligible buyers
- manages simplified purchaser eligibility processes
- receives reports on sales.

Can the Housing Unit issue a development approval?

No, the approval authority for these development proposals is the State Commission Assessment Panel (SCAP).

What is an affordable housing legal agreement?

The Affordable Housing Unit has a standard legal agreement that can be used to secure affordable housing. However, agreements can also be negotiated individually to respond to particular circumstances that may require variation. Core conditions of the agreement include:

- provision of at least 15% apartments to be affordable, which may include home purchase below the price point (i.e. \$458,700) and/or a sale to an affordable rental provider (negotiated price)
- a first right to purchase to eligible home buyers for a period of 60 days

- provision of sales reports for affordable apartments.

The agreement will be fundamental to your development application and therefore should be negotiated through the pre-lodgement process.

What information is required for an affordable housing pre-lodgement agreement?

To satisfy the affordable housing requirements, an executed legal agreement is required. The agreement covers all the conditions described above.

It does not require final plans and prices to be specified at this point as these will be worked through with you after you have development approval.

What if I use the pre-lodgement service?

If you are using the pre-lodgement service, your case manager will organise a representative of the Unit to attend the pre-lodgement panel meetings to discuss your proposal and any related issues.

The process for securing affordable housing and a pre-lodgement agreement is as follows:

- *Step 1:*
Pre-lodgement discussions with SA Housing Authority and your case manager about affordable housing requirements.

This is likely to occur in your first pre-lodgement panel meeting.
- *Step 2:*
Applicant prepares an affordable housing plan that identifies the number and location of affordable apartments.

This should generally occur at pre-lodgement meeting # 2.
- *Step 3:*
Applicant enters into a Land Management Agreement (LMA) with the Minister for Planning.

The LMA is registered on the title and a pre-lodgement agreement is issued.

This should generally occur at pre-lodgement meeting # 3.
- *Step 4:*
Applicant lodges a formal development application with the SCAP, which includes a copy of the pre-lodgement agreement and LMA.

Developer provides SA Housing Authority with an Affordable Housing Plan that outlines how the affordable housing will be delivered across the project life cycle.
- *Step 5:*
A planning consent is issued.

- **Step 6:**
Properties are listed on [HomeSeeker SA](#) and [realestate.com.au](#) and marketed “off the plan” to eligible buyers for 30 days, OR, the developer arranges for the properties to be provided as affordable rental outcomes.
- **Step 7:**
A community plan is lodged with the Land Services SA with a request to SA Housing Authority to rescind the LMA. The LMA is rescinded and a deposited plan issued.
- **Step 8:**
Report to SA Housing Authority on sales.

What if I do not use the pre-lodgement service?

If you lodge your development application directly with SCAP and do not obtain a pre-lodgement agreement, your application may be subject to a three-week statutory referral to the Affordable Housing Unit if it purports to include affordable housing or where SCAP wishes to seek further information to address the affordable housing provision in the Development Plan.

Execution of a legal agreement and negotiations regarding an affordable housing plan can take time, so it is recommended that this be addressed early.

Further information

You can download a pre-lodgement pack from plan.sa.gov.au/development_applications/case_management_services/pre-lodgement_service

To discuss your needs, phone or email:

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You can also contact, SA Housing Authority for more specific information by phone or email:

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