



ENABLE  
EQUITABLE  
SUSTAINABLE  
PROGRESS  
FOR

TRANSFORMING HOUSING  
SUPPLY IN AUSTRALIA

LIVEABLE  
AUSTRALIA



The background of the entire image is a vibrant blue sky filled with soft, white, wispy clouds. The clouds are scattered, with some appearing as thin streaks and others as more defined, fluffy patches. The overall tone is bright and airy, suggesting a clear, sunny day.

LIVEABLE  
AUSTRALIA

# 01

## BACKGROUND

Whether it is the cost, choice or availability - Australian housing has become less affordable, less equitable and less available.

**In the past, we may have been able to say the crisis was limited to the affordability of housing, however now it is housing itself that is missing**

It was in 1987 that the United Nations report - 'Our Common Future' was published. It included a definition of sustainable development as development that

'meets the needs of the present without compromising the ability of future generations to meet their own needs.'

This underscores the importance of intergenerational equity, yet since this time, housing in Australia has become anything but equitable. **It is arguable that when it comes to providing housing - we are neither meeting the needs of the present, or the future - yet we can be.** Whether it is the cost, choice, or availability - Australian housing has become less affordable, less equitable and less available.

Embodying a competitive 'fear of missing out' culture driven by a chronic shortage of housing, a shift in demographics and an unaddressed structural shift created decades ago - sustains competition. **This has created a structural scarcity for housing in Australia - leading to widespread housing related stress, inequity, and unaffordability - evidenced by a distinct lack of choice.**

This highlights the systemic failure of the underlying systems that provide housing in Australia.

It necessitates a systemic shift from the business-as-usual approach that is not addressing the problem - and transforming the provisioning system for housing to create the capacity in our housing for Australians of all ages and stages to live well.

Whether by income, opportunity, resources or more - Australia still deserves the label 'lucky country.'

**Yet this 'luck' has driven increasing inequality - and for a growing proportion of households, this is not how they feel - and is no more apparent than in the emergence of a housing crisis in nearly every corner of the country.**

In the past, we may have been able to say the crisis was limited to the affordability of housing, however now it is housing itself that is missing - leading to a crisis that is currently without solution.

Fast forward to 2022 and COP27 in Egypt where Sandrine Dixson - Declève (Club of Rome Co President) noted that

'our economy does not serve people, planet, and prosperity. How do we shift that?

One way is to facilitate and enable innovations and programs such as Liveable Australia's.

# 02

## THE CHALLENGE

‘We cannot solve our problems with the same thinking we used when we created them’

Albert Einstein

**We need to redesign the way housing is created, supplied, and managed, to arrive at new ways of sustainably creating housing supply**

Our economy, industry, and government are unable to fix a problem such as we are facing with housing in Australia with the same thinking that created it.

**Accordingly, to solve Australia’s housing challenges – fresh approaches are required.**

We need to redesign the way housing is created, supplied, and managed, to arrive at new ways of sustainably creating housing supply - that enables choice, serves the occupants, and removes the very real fear in the community regarding accessing housing. Liveable Australia’s initiative is one of what we hope, are many such fresh approaches to this challenge.

Innovative by nature, solution focussed and designed to empower households with choice and sustainably address Australia’s housing challenge - **Liveable Australia’s approach transforms the current two ways of housing creation in Australia, realising a new and necessary third way – housing as a service (HAAS).**

Currently 97% of Australians own, (outright or with a mortgage), or rent the place they call home. This means that virtually all of Australia’s 11 million dwellings (collectively worth over \$10 trillion) are privately held - with \$2.3 trillion being lent against these by banks.

**In the meantime, the pressure cooker that is core to the crisis, is that Australia is short 1 million houses - or in the order of 10% of the current national housing stock.**

Irrespective of the barriers to creating this housing in practical locations and of the right type to be a viable choice for the households already waiting to occupy them - **these households do not have the \$1 trillion (10%) that this additional housing nominally must cost**, nor are there incomes to prudently enable a near 50% increase in mortgage debt in Australia that this figure represents.

Whilst the issue around the capacity to afford the creation of new housing is generally not an issue for the top tier of income and asset rich households - nor (for completely separate reasons) is it an issue for the bottom tier.

This crisis exists because it is the middle majority – the 70 - 80% of households in Australia that are faced with a lack of choice and very real fear regarding their ability to have a suitable and secure home.

**Imagine then, if there was a sustainable pathway for net additional housing to be created to address this and enable choice, that has no need for subsidy or concession.** This is central to Liveable Australia’s approach.

# 03

## THE WAY IT IS

At the same time as we were worrying about Y2K, there was a collision between demand and supply and house prices started to depart from the rest of the economy and our incomes. Alan Kohler

**Despite the statistical supply of housing for owner occupiers - the community remains with a lack of choice and a sense of unaffordability and inequity in housing.**

Traditionally, the safety-net for those whose economic circumstances meant they couldn't afford housing, has been served by Government as landlord - providing housing at a fraction of the market rate.

**In times past, this was the solution for over 20% of households, but steadily various policy shifts over the past 50 years have shrunk the role of Government as landlord to represent just 3% of overall housing.**

Generally, this would not be an issue if the increasing wealth of Australian households had occurred equitably, and housing had not risen in value far faster than incomes as it has since the mid-1990s.

There may remain an argument to boost social housing supply for the lowest socio-economic groups, but the crisis of the 2020s is that for the majority of Australian households, finding a secure home that suits their needs is a challenge for which Government can't be the solution.

Traditionally, housing supply, and more specifically, the growth in supply through the design, build and certification of new housing in Australia, is beholden to the micro-economics of developers as they respond to two prospective asset holders:

1. OWNER OCCUPIERS - Homeowners who own and occupy housing.
2. INVESTORS - Investors who rent housing to tenants.

**Of these two groups, the first are an ever-shrinking group of households with the asset base to support the deposit and transaction costs - along with the income to support a bank loan to fund the purchase.**

Within this group, there will be over-extenders creating housing stress even as they succeed in their goal of being a homeowner. This group will also include compromisers that foster the development of a new house, but not one that suits their needs. Perhaps it is short of a backyard, distant from family or community elsewhere in the city - or missing a bedroom or bathroom to truly be suitable. In this, and despite the statistical supply of housing for owner occupiers - the community remains with a lack of choice and a sense of unaffordability and inequity in housing.

**The second group, are essentially a changeable group requiring tax concessions to justify their participation and are generally made up of non-professional stakeholders as landlords, making for shortcomings in the role that are borne by their tenants.**

# 04

## THE TRANSFORMATION

Liveable Australia was formed to provide an alternative and sustainable 3rd way - where new net additional housing supply of housing is triggered by need and anchored in its utility

**The customer is the household making their home and everything that can improve that outcome becomes a focus for Liveable Australia**

Materially, investors interest in total return has no connection with the requirement in the community for the supply of rental property - particularly housing of the type, scale and appropriateness required, and as such **there remains a misalignment between housing need and its supply - a suitability gap.**

This crisis now extends to causing a limiting of supply in rental housing and with it pricing changes and compromises by tenants, driven by a lack of choice and sense of unaffordability when it comes to housing.

In the current housing supply system, supply isn't simply triggered by those needing it and it needs someone to step in to do so. This is what Liveable Australia is doing - and in the process, creating net additional housing.

This current developer led supply model isn't motivated by need, the occupant, or the intrinsic benefits or utility of housing - rather it is triggered by asset economics, revenue, and price growth.

**Liveable Australia was formed to provide an alternative and sustainable third way - where new net-additional supply of housing is triggered by need and anchored in the utility of the housing - not in its value as an asset.**

Liveable Australia's approach aligns the growth in supply with the demographic drivers that is the core of the demand, and in so doing aligns the housing itself with the needs of the household. Liveable Australia then offers it as a service - providing the missing 3rd way.

3. AS A SERVICE - To everyone as a service. Housing-As-A-Service (HAAS).

**In a service economy, the means of production are retained and maintained for the benefit of the customer or user. This service approach focuses on the customer and their needs - with the service aligning to this.**

In enabling Housing-As-A-Service, the customer is the household making their home and everything that can improve that outcome becomes a focus for Liveable Australia as the service provider. From increasing choice, lowering costs and improving access - to meeting the changing needs of a growing family and other socio-demographic changes, such as being located near work, school, and recreation and transport - these are central to Liveable Australia's mission.

# 05

## THE WAY

This is net new housing supply. It is not triggered by a commitment to hold the asset, but by the demand for it as a service

**Providing new housing supply across diverse typologies - helps underscore Liveable Australia's mission**

Liveable Australia has approached the housing crisis with an alternative approach that pivots to look at housing as infrastructure - for the utility it provides - and how to trigger new supply based on need, rather than commitment.

This third way fills the chasm between those who are supported by Government and those households for whom suitable housing is available and affordable - that chasm being the middle 70-80% of households.

This is net new housing supply. It is not triggered by a commitment to hold the housing as an asset, but by the demand for it as a service. This aligns need with product / service to provide a widespread positive improvement in housing outcomes in Australia.

**This new supply creates an institutional scaled income pool available to investors from across the globe - much of which remains frustrated for choice in its desire to place a proportion of their portfolio in the safe jurisdiction of Australia.**

Providing well located new housing supply across diverse typologies from bedsit apartments to four-bedroom + houses and everything in between to address community needs - helps underscore Liveable Australia's mission.

**It's time to work out whether as a government, bond investor, occupant, financier, builder, land provider and beyond - how to help support the way almost every household at one time or another will make a home in Australia in the 21st Century.**



## ABOUT LIVEABLE AUSTRALIA

We engage with leaders and influencers across the housing supply ecosystem, so together we can address the challenge of housing for all Australians.

**Liveable Australia focusses on reducing the stressors to provide the choice required to address Australia's housing crisis**

Liveable Australia is an Australian Not-For-Profit focussed on relieving housing stress and providing choice within the Australian community and creating the conditions for optimal wellbeing.

Whatever the cause of the stress - be it suitability, availability or location - to housing type, cost and tenure, or having a place to feel secure and safe - or the ability to change the wall colour or keep a pet - Liveable Australia focuses on reducing the stressors and providing the choice to create the places to address these and Australia's housing crisis.

Liveable Australia is an integrated end-to-end housing solution, incorporating research, innovation, and design, with construction, funds management and operations.

This integration extends to landlord services from leasing, customer service, to building and site management - to create the housing service and supply ecosystem designed to sustainably address the causes of housing stress in Australia.

Requiring an integrated capacity across its services and management - Liveable Australia's service brings together capacity across the established system of stakeholders.

From policy, planning and land supply, to financing, construction and investment - these come together in creating the product for Liveable Australia's service.

Innovation, resilience, and sustainability are embedded within Liveable Australia's DNA, alongside choice, safety and wellbeing due to the inherently long-term and occupant centric outlook that providing Housing-As-A-Service demands.

**Supporting this are positive relationships and these are central to what we do. We seek partnerships and alignments with key stakeholders including government, land providers and community - as well as the construction, finance and investment sectors, to help Liveable Australia transform housing in Australia to embody the choice, fairness and availability required to address the challenge and deliver to community needs.**

We engage with leaders and influencers across the housing supply ecosystem who together can support our approach, so together we can address the challenge of housing for all Australians.

We look forward to connecting with you.



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