

# Pre-lodgement service



## Affordable housing referrals and pre-lodgement agreements

### Purpose

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

It is produced by the Investment Team of the Department of Planning, Transport and Infrastructure (DPTI), which offers a pre-lodgement case management service. The team can be contacted by emailing [dpti.pdprelodgementenquiries@sa.gov.au](mailto:dpti.pdprelodgementenquiries@sa.gov.au) or calling (08) 7109 7081.

### 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).<sup>1</sup>

Affordable housing is a dwelling that is:

- offered for sale at or below a nominated affordable price point (up to \$349,600 in the CBD<sup>2</sup> as of 2015 and updated by notice in the Government Gazette each year)
- sold to eligible low to moderate income earners (up to \$75,000 for singles, up to \$95,000 for couples and families<sup>3</sup>) or affordable rental providers

- subject to a legally binding agreement that ensures these requirements are met.

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

Councils' Development Plan includes an Affordable Housing Overlay in key parts of a Council. The Overlay requires developments including over 20 dwellings to provide 15 per cent affordable housing. Policy incentives are also included that encourage affordable housing provision.

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.

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

### When will development proposals be referred?

Development applications that 'purport to include' affordable housing must be referred to Renewal SA, Affordable Housing Unit, to determine (under delegation from the Minister for Housing and Urban

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

<sup>2</sup> The metropolitan price point of \$304,000 plus a 15% variance allowed for all CBD projects based on high accessibility to public transport.

<sup>3</sup> See [Eligibility Guidelines](http://www.sa.gov.au/subject/Housing%2C+property+and+land/Buying+and+sel), which are available at [www.sa.gov.au/subject/Housing%2C+property+and+land/Buying+and+sel](http://www.sa.gov.au/subject/Housing%2C+property+and+land/Buying+and+sel)

[ling/Affordable+houses+to+buy/Income+and+asset+limits+for+the+Affordable+Homes+program](http://www.sa.gov.au/subject/Housing%2C+property+and+land/Buying+and+sel)



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Development) 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 development proposals over \$10 million in the City of Adelaide and over 4 storeys in Urban Corridor Zones in Inner Metropolitan Adelaide is the Inner Metropolitan Development Assessment Committee (IMDAC).

The approval authority for development proposals over \$3 million in the Port Adelaide Regional Centre Zone is the Port Adelaide Development Assessment Committee. Both of these are committees established by the Development Assessment Commission (DAC).

## 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. \$349,600) and/or a sale to an affordable rental provider (negotiated price).
- a first right to purchase to eligible home buyers for a period of 30 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.



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## 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 Renewal SA 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 with the Minister for Housing and Urban Development. The Deed 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 DAC, which includes a copy of the pre-lodgement agreement and Deed.

- **Step 5:**  
A planning consent is issued.

- **Step 6:**

Properties are listed on realestate.com.au and marketed “off the plan” to eligible buyers for 30 days.

- **Step 7:**

A community plan is lodged with the Land Titles Office with a request to Renewal SA to rescind the Land Management Deed. The Deed is rescinded and a deposited plan issued. Any remaining affordable apartments are marketed to eligible buyers for a further 14 days.

- **Step 8:**

Report to Renewal SA on sales.

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

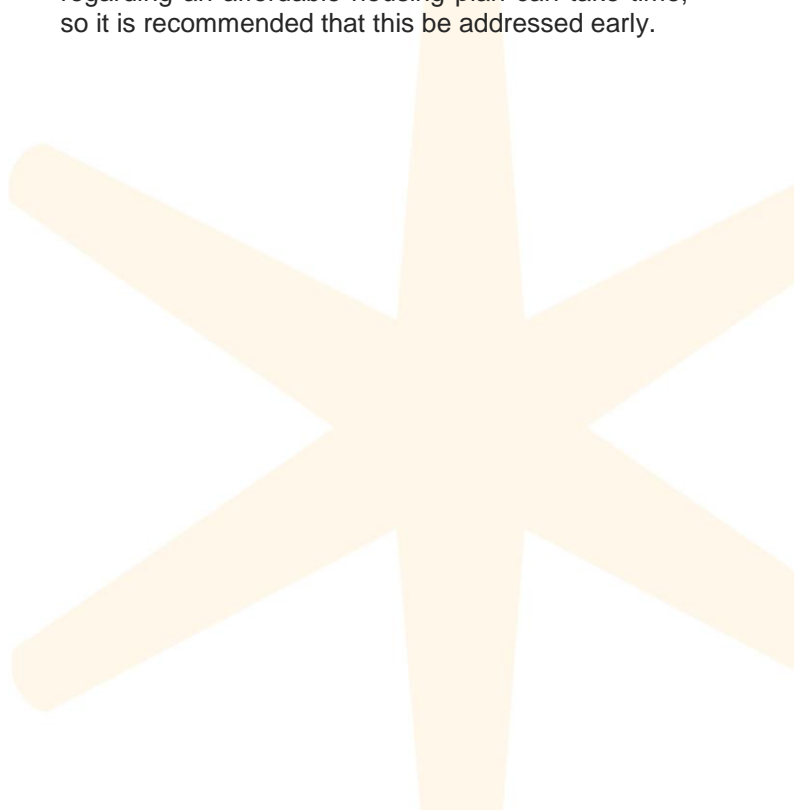
If you lodge your development application directly with DAC and do not obtain a pre-lodgement agreement, your application may be subject to a three-week statutory referral to the Affordable Housing Unit if it purports to include affordable housing or where DAC wishes to seek further information to address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



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## For further information

You can download a pre-lodgement pack from [www.dpti.sa.gov.au/planning/prelodgementservice](http://www.dpti.sa.gov.au/planning/prelodgementservice) or ask the Department to mail it to you.

To discuss your needs, phone or email:

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

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