

## Request for Costing an Election Commitment

Name of policy proposal:	<b>Supporting the Introduction of the Nightingale Housing Model in the ACT</b>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	A one-off, dollar limited commitment of \$100,000 to support the introduction of the Nightingale Housing Model in the ACT – a model that uses deliberative development where the purchasers (the future residents) have more autonomy in decision-making.
Issue the proposal will address:	The proposal addresses liveability, sustainability and purchasing (cost) pressures associated with residential apartments.

### What are the key assumptions that have been made in the proposal?

**Note:** The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

The Nightingale Housing Model provides high quality architect designed multi residential developments (apartments) in existing suburbs. It connects architects, apartment buyers and ethical investors to deliver high quality housing below market price. It is targeted at owner occupiers rather than building for an investor market. End purchasers become involved with the architect at the early design phase to ensure the end product suits their needs. The attachment of buyers and financial commitment to the project from the outset de risks the development process while cutting out the costs associated with property developer profit margins, real estate agents and marketing middlemen. Apartments are designed for purchaser needs such as children, disabilities, aging in place.

The model is particularly attractive to first home owners who want to live close to the city but have been priced out of the residential market. Households downsizing from detached housing are also a key driver of demand. Improvements in affordability and quality enable a greater number of households, including key service workers access to ownership in locations close to employment.

While the model can operate without Government financial support, a capped investment of \$100,000 will be provided to support the identification of appropriate sites and facilitate planning meetings.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>	0	0	0	0	0
<b>Expenses<sup>(a)</sup></b>	0	-100	0	0	-100
<b>Capital</b>	0	0	0	0	0
<b>Depreciation</b>	0	0	0	0	0

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include

depreciation costs.
Has any specific information or data been utilised in generating the proposal?
Information about, and discussions with, the operators of the <a href="#">Nightingale Housing Model</a> .
Where relevant, is funding for the proposal to be demand driven or a capped amount?
Funding capped at \$100,000.
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding)?
No.
Will funding/the cost require indexation?
No.
Who will administer the proposal?
Land Development Agency
How will the proposal be administered?
Funding allocated to the Budget of the relevant Directorate.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>
To be absorbed by Directorate.
Will the proposal generate savings or offsets?
No.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Improved quality of design and improvements in affordability are expected, based on existing projects underway.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No.
What is the intended implementation date of the proposal?
2017-18

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?

2017-18

Will the proposal cease, and if so, when?

2017-18

Is there any additional information relevant to this proposal?

No.