Grants and Sponsorship - Affordable and Diverse Housing Fund - Property Industry Foundation Meanwhile Use Housing

File No: X105028.024

Summary

The City of Sydney's Affordable and Diverse Housing Fund aims to support an increase in the supply of affordable and diverse housing in the City of Sydney. The fund is part of our commitment to overcome financial barriers to affordable and diverse housing development.

Following a Resolution of Council on 17 February 2025 asking the Chief Executive Officer to investigate how Council can work with existing organisations to encourage and facilitate the use of vacant properties for meanwhile housing, including opportunities for financial or in-kind support, staff received briefings from organisations involved in supporting meanwhile use housing.

The term 'meanwhile use' is commonly used to describe the temporary use of a building or place for a limited time before it takes on a permanent future use or is redeveloped.

The Property Industry Foundation have initiated a state-wide project to facilitate short-term housing for people experiencing or at risk of homelessness through meanwhile use housing. It aims to connect owners of vacant properties with homelessness services and community housing providers. The connections will be enabled by a platform called EverySQM (square metre) which will list available properties that could be used for new meanwhile use housing projects. The platform will be supported by a dedicated staff member who will run and promote it and connect the parties needed to deliver meanwhile housing projects. The platform is expected to be ready to launch in February 2026.

The Property Industry Foundation are seeking a contribution of $70,000 per annum for 2 years (total commitment $140,000, equivalent to about half the total project costs) to support the finalisation of the EverySQM platform and the employee related expenditure related to the project.

This report recommends providing a grant of $140,000 total over two years from the Affordable and Diverse Housing Fund subject to the conditions detailed in the following recommendations.

Recommendation

It is resolved that:

(A) Council approve a cash grant to the Property Industry Foundation for $140,000 over 2 years ($70,000 per annum) to support their meanwhile use housing project; and

(B) authority be delegated to the Chief Executive Officer to:

(i) finalise negotiations, execute and administer the grant agreement with the Property Industry Foundation in accordance with clause (A); and

(ii) otherwise make decisions and administer the other conditions relating to this grant.

Attachments

Attachment A. Correspondence from Property Industry Foundation - Request for Support for EverySQM Platform - 30 June 2025

Background

1. The term 'meanwhile use' is commonly used to describes the temporary use of a building or place before it takes on a permanent future use or is redeveloped.

2. The Property Industry Foundation is a registered charity with the Australian Charities and Not for Profits Commission, set up to assist people at risk of and experiencing homelessness.

3. The Property Industry Foundation has strong relationships in the property and construction sectors, including those who have been involved in the delivery of some of the earliest meanwhile use housing projects in Sydney. This is especially valuable given the dependence on available sites in meanwhile use housing.

4. An example of a meanwhile use housing project is The Central Project which saw the former Adina hotel at 2 Lee Street Haymarket in Central offered by the developer TOGA for a period of more 12 months in 2023 to the My Foundations Youth Housing and Settlement Services International to use as transitional housing for young people and refugees while planning approvals were secured.

5. Demand for crisis (immediate) and transitional (medium term) housing is strong, especially in the City of Sydney.

6. The latest Street Count showed a 24% increase since the previous year in rough sleeping in the local area, totalling 346 people.

7. The Australian Institute of Health and Welfare reported that in 2023-24 in NSW there were roughly 300 unassisted requests for specialist homelessness services each day. More than three fifths involved a request for short term or emergency accommodation. The most common reason for turning people away was a lack of available accommodation.

8. The Property Industry Foundation have recruited a dedicated staff member to support a statewide meanwhile use housing project. The project will provide resources and support to property owners and to community housing providers and homelessness services with an interest in delivering meanwhile use housing options for people experiencing homelessness. The work was informed by consultation with both developers and community housing providers and homelessness services.

9. One of the main features of the project is the launch of a new platform that will list available properties. The platform will also contain resources, including templates, to guide users in relation to legal and regulatory issues. The staff member from the Property Industry Foundation will run the platform and actively promote it and meanwhile use housing more broadly to potential users.

10. The Property Industry Foundation have secured in-kind contributions and committed their own funding to the project. They are seeking a one off $140,000 ($70,000 over 2 years) contribution from the City of Sydney of roughly half the delivery costs over the next 2 years.

11. Non-asset based projects have received funding from the Affordable and Diverse Housing Fund. This has included the Affordable Housing Ideas Challenge research project and employee related expenditure for an identified position to promote affordable housing to the Aboriginal community.

12. The application from the Property Industry Foundation is broadly consistent with the Grants and Sponsorship Policy and Guidelines even though they are seeking more than a third of the future project costs in funding. To date the Property Industry Foundation have given an estimated total of $120,000 of in-kind contributions to the project and have identified funding sources for the remainder of the projected costs to deliver the project for the next 2 years.

13. The recommendation to approve the grant is consistent with the Lord Mayoral Minute about Supporting More Affordable and Diverse Housing from 23 June 2025. Under the Minute, the Council resolved to review the criteria related to the Fund's cap and noted that while the review is underway, applications should be considered flexibly even if they exceed existing caps.

14. If approved the funding agreement would require the Property Industry Foundation to:

    (a) provide reports outlining progress of the project including the number of projects in the City of Sydney every quarter

    (b) focus on potential meanwhile use housing projects in the City of Sydney local government area and

    (c) submit a report on lessons learnt from the implementation of the project within 2 years.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

15. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:

    (a) Direction 6 - An equitable and inclusive city - People experiencing homelessness are at significant risk of exclusion from the community. Enhancing the capacity of services who assist people experiencing homelessness is a constructive means of increasing the inclusivity of the city.

    (b) Direction 10 - Housing for all - Given the lack of stable, long term affordable housing options for people, meanwhile use housing is a pragmatic way to reduce the cost of accommodation for services who provide crisis and transitional housing to people at risk of or experiencing homelessness.

Organisational Impact

16. If approved, the grant would be managed by the Program Manager, Affordable and Diverse Housing.

Risks

17. Any identified risks arising from the recommended grant are within the City's risk appetite, which states:

    (a) We make decisions that align with our corporate objectives, policies and strategies and are committed to conducting our activities in full compliance with applicable laws, regulations and relevant industry standards.

    (b) We acknowledge that some financial risks may be necessary to achieve our goals, particularly when investing in new initiatives that align with our strategic objectives. We carefully evaluate financial options and risks and consider the potential impact on our financial position, cash flow, and overall stability.

    (c) Our risk philosophy is centred around achieving a balance between innovation, community and user satisfaction and risk management, ensuring that we meet our strategic objectives to provide the levels of service that are both affordable and considered appropriate by the community.

18. The Property Industry Foundation has undertaken consultation with homelessness services, community housing providers and asset owners over the last 8 months, including two roundtables, to establish the level of support for the proposed database and to identify and mitigate risks.

19. Potential users advised wanting a one-stop shop where they could get guidance and legal templates for meanwhile use arrangements. As a result, the platform will feature advice and guidance about the legal and regulatory aspects of meanwhile use housing.

Social / Cultural / Community

20. A housing first approach relies on long term housing with wrap around supports in response to homelessness, while preferable, the shortage of this type of housing creates a role for crisis and transitional housing as a safety net.

21. Homelessness services providing this safety net face significant and growing demand for their services. They operate in an environment of highly constrained resources, which limits their capacity to meet the extent of the demand put on them.

22. Depending on the refurbishment costs required, access to properties, albeit temporarily, at little to no rent, is valuable and may increase the capacity of providers to meet more of the demand for their services.

23. Providing funding for the Property Industry Foundation meanwhile use housing project presents the City of Sydney with an opportunity to play a constructive role to support the provision of crisis and transitional housing.

Financial Implications

24. Approval of the grant will reduce the Affordable and diverse housing fund internal cash restriction by $140,000.

25. The funds for the recommendation set out in this report will be included in the relevant financial year's budget.

Relevant Legislation

26. Section 356(1) of the Local Government Act states that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions. Public exhibition of this sponsorship is not required because the funds are being paid to a not-for-profit organisation that is not operating for private gain.

Critical Dates / Time Frames

27. It is anticipated that $70,000 will be provided in 2025/26 and $70,000 will be provided in 2026/27.

EMMA RIGNEY

Executive Director, City Life

Sam Ngui, Program Manager - Affordable and Diverse Housing