

# Tiny Houses: an overview

In response to Council resolution item 6318 (D19/157397).

## Introduction

Tiny houses are small homes, often mobile and originally based on a minimalist lifestyle. According to the 2018 International Residential Code, a tiny house is 'a dwelling that is 400 square feet (37m<sup>2</sup>) or less in floor area excluding lofts'.<sup>1</sup>

In its various iterations, the 'tiny house movement' has centred on ideas of simple-living, energy-efficiency, mobility and affordability. The movement started in the United States and has been gaining momentum through television shows and social media. More recently it has been presented as a response to homelessness.

In the United States, many cities have tried to address homelessness through tiny houses. Some have developed tiny house 'villages' for the homeless, including for ex-service people, and cities such as Boston and Los Angeles are encouraging small backyard homeless units with incentives for homeowners to house low-income households on their properties.

Tiny houses appear to have been used specifically to house the homeless in Australia since about 2016. The recent media attention of Launch Housing's *Harris Transportable Housing Project* in Melbourne has raised interest in the opportunities associated with tiny houses and their ability to contribute to tackling homelessness in Victoria.

Tiny houses have also been promoted as an affordable private market alternative, with interested parties sometimes grouping together to secure land.<sup>2</sup> There are however challenges with individual purchases of tiny houses as many councils are not clear on permit requirements for this type of home and caravan parks don't always accept them.

## Local examples

### **Kids Under Cover – Studio Program**

<https://www.kuc.org.au/what-we-do/how-we-help/studio-program/>

Kids Under Cover is a not-for-profit organisation dedicated to preventing youth homelessness. It has developed prefabricated one and two-bedroom studios that can be installed in the backyard of carers, to allow a vulnerable young person to live independently while maintaining connections to their family. These studios are coupled with a scholarship to the young person to give them the skills to become independent adults. Once the studio is no longer required, it is relocated to accommodate another young person in need. There is no cost to the young person or family.

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<sup>1</sup> 2018 International Residential Code, Appendix Q Tiny Houses

<sup>2</sup> See for instance: <https://www.abc.net.au/news/2019-04-29/are-tiny-homes-the-answer-for-older-women-facing-homelessness/11049272>

### **Launch Housing - Harris Transportable Housing Project**

<https://www.launchhousing.org.au/harris-transportable-housing-project/>

Launch Housing, in partnership with philanthropic organisation Harris Capital and funding from the Victorian Property Fund, is developing 57 tiny homes for people experiencing chronic homelessness. The prefabricated houses will be placed on unused VicRoads land in Maidstone and Footscray, with the first homes already built and tenants moved in.

The homes are 20 m<sup>2</sup> inside on a 60–90 m<sup>2</sup> block of land. Tenants will be allocated from the Victorian Housing Register with housing secured long-term. These particular VicRoads plots have been committed for about 10 years, after which Launch Housing will find new land to place the tiny houses on.

The project aims to illustrate how unused government land can be used to address homelessness.

### **Summer Foundation – Rapid Interim Housing Prototype**

<https://www.summerfoundation.org.au/project/rapid-interim-housing/>

The Summer Foundation has developed an accessible housing product that addresses the gap between leaving hospital or rehab and finding appropriate permanent housing. The project was funded with a combination of philanthropic and TAC support. The home is designed as a quick, affordable, accessible and temporary solution to house people while they wait for long-term accessible housing or for home modifications to be made. The prototype is designed to meet the requirements of Livable Housing Australia's Platinum standard and requirements of NDIS Specialist Disability Accommodation with a focus on assistive technologies to increase the occupant's independence.

This house is still at the prototype stage and the Summer Foundation is looking for partners to scale it up. As with the Harris Project, they are looking to place the units on unused or surplus land.

## Commentary

Tiny houses can be relatively low-cost, flexible in their design and location, and quick to build. There is potential for tiny houses to be used to house the homeless, however, much depends on the structure (quality and durability), management (including support services provided) and sustainability of the model (can housing be ensured long-term?).

The United States Interagency Council on Homelessness urges groups that are considering tiny houses as a response to homelessness to consider the following:<sup>3</sup>

- amenity and housing quality standards,
- whether the housing suits the needs of the proposed tenants,
- where this fits into the broader systemic efforts to end homelessness (including short- and long-term housing, support services etc.),
- the best use of financial and land resources, and
- community integration.

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<sup>3</sup> Available at: <https://www.usich.gov/news/asking-the-right-questions-about-tiny-houses> (accessed on 15 Oct 2019).

Mission Australia has responded to the trend in a cautionary way, suggesting that tiny houses can have a role as transitional housing to support people into long-term sustainable housing. However, Mission Australia is concerned that:

- tiny housing projects cannot be scaled so as to have a genuine impact on the issue of homelessness,
- support services are needed in addition to shelter, and
- standards may be lower than other dwellings.<sup>4</sup>

Additional considerations include:

- comparing the cost, quality and durability of a tiny house as compared to a permanent unit,
- efficiency of land use and availability of vacant land, and
- tenant management (incl. security, allocation process, services etc.).

## Considering a Tiny House and/or *BoKlok* program in Yarra

### **Tiny Houses**

Acknowledging the list of considerations above, the primary considerations in assessing the viability of tiny houses for homeless people in Yarra is the relative cost, permanency and value of this type of housing as compared to more traditional housing (for instance a smaller apartment) and the availability of appropriate land.

The cost of the Harris Transportable Houses has been reported at between \$80,000 to \$130,000 per house when fully connected and installed. Meanwhile, the cost to build a small permanent one bedroom unit could be in the order of \$115,000 to \$160,000.

As it currently stands, there is no vacant council-owned land in Yarra of suitable size and/or amenity that is not currently being used as open space. As in Footscray/Maidstone there may be some state government owned land in the area that would be appropriate, however the availability and appropriateness of any such land is not known to officers at the time of writing. Further conversations with the Victorian Government will need to be undertaken to establish if there is any appropriate and vacant state government land in Yarra.

### ***BoKlok***

The *BoKlok* affordable home-ownership housing model that has been adopted across the Nordic countries, and more recently in the UK is based on a public-private partnership between an affordable developer (*BoKlok*, part owned by IKEA and Skanska) and a local authority. The recently publicised partnership with Worthing council in the UK, proposes 162 homes to be built on council land, with 70% sold by the developer according to their affordability model 'left to live' and 30% given to the council at cost to be used for social (rental) housing. In this model, the savings that result from the developer not having to buy the land, and cross-subsidy that comes from 70% affordable sales, pays for the 30% social housing. The *BoKlok* homes are prefabricated, modular and designed to minimise construction and fit-out costs.

This is more in line with what could potentially be achieved at a Council owned-site in Yarra, such as the Collingwood Town Hall precinct that is currently being investigated for the feasibility of

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<sup>4</sup> As expressed at: <https://www.missionaustralia.com.au/news-blog/news-media/are-tiny-homes-the-solution-to-homelessness> (accessed on 15 Oct 2019).

affordable housing. It is important to note the different roles of local government in the UK as compared to Australia, however, with local councils being the providers of public housing (known as 'council housing') in the UK, but not Australia. A similar scenario on Council owned land in Yarra would require an additional partner, most likely a registered housing agency, but could potentially also be the Director of Housing. Some larger registered housing associations may have the capacity to develop and build housing, without requiring support from a private developer.

## Conclusion

In closing, there may be a role for tiny houses in providing affordable and quick solutions to house people who are homeless or have low income and would prefer a small home of their own, where they can bring their pets, and are provided appropriate supports. The portable aspect also provides opportunities for using vacant/unused land across Melbourne (as suggested in the 2018 Melbourne University 'Project 30,000' report<sup>5</sup>). But because of this, its most likely use is as a temporary housing option. In Yarra, there appear to be very limited opportunities for its use, with other models to achieve long-term secure social and affordable housing perhaps more appropriate.

Tiny houses as an affordable private market option, or long-term social housing, raises issues around building and planning approvals that are yet to be addressed. Similar concerns have been experienced by people who live in caravans, with lack of security of the land and title (see for instance ABC feature on Wantirna Caravan Park<sup>6</sup>).

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<sup>5</sup> The University of Melbourne (2018) 'Project 3000: Producing Social and Affordable Housing on Government Land'.

<sup>6</sup> Available at: <https://www.abc.net.au/news/2017-11-09/wantirna-caravan-park-out-of-house-and-home/9115736> (accessed on 15 Oct 2019).