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Exploring the role of affordable housing in successful health-focused innovation districts

A case study of precinct partner perspectives in Westmead Health and Innovation District

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Title

Exploring the role of affordable housing in successful health-focused innovation districts: A case study of precinct partner perspectives in Westmead Health and Innovation District

Key Points

- Boosting health-focused innovation districts (HFIDs) has been a key government strategy to harness growth in the life science, medtech and biotech industries in NSW.
- Delivering affordable housing targeted at precinct workers would have significant benefits for HFIDs, including:
 - Attracting and retaining a diverse health and innovation workforce
 - Enhancing vibrancy and amenity, to improve the attractiveness of the precinct to businesses, investment and employees.
- There are barriers to delivering affordable housing in HFIDs, including:
 - Competing priorities within the public health system – which is often the anchor and largest landowner in HFIDs
 - City-wide viability and land-availability challenges
 - Ongoing lack of government support for affordable housing delivery.

Context

While housing affordability and innovation districts are generally treated as independent policy areas, there is growing recognition that innovation districts are often associated with declining housing affordability and gentrification (McNeil 2016). The innovation economy also relies on a diverse range of low-to-moderate income workers, including research assistants, PhD students and start-up

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Over the last ten years, Lucy has held roles in both public and private sectors, working on diverse infrastructure and planning projects that require cross-disciplinary collaboration.

FURTHER INFORMATION

This paper is based on The Henry Halloran Research Trust Practitioner in Residence Program

The full paper from this project can be found on the Henry Halloran Research Trust Website: [Publications - Henry Halloran Trust \(sydney.edu.au\)](https://www.henryhallorantrust.com.au/publications)

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entrepreneurs, but housing this workforce securely and affordably has not been a focus of policy or research (Dowling et al 2020).

This research gap is highlighted when exploring HFIDs, where major health facilities are co-located with research, education and industry partners, who collaborate to support and promote innovation and commercialisation. Strengthening HFIDs has been a key NSW Government strategy to harness activity in the fast-growing and high value life science, medtech and biotech industries.

Evidence suggests there is demand for affordable housing in HFIDs from both low to moderately paid workers in the innovation sector, and from key workers essential to the functioning of the health facilities anchoring HFIDs, including nurses, ambulance workers, cleaners and hospital administration workers.

Focusing on a case study of Westmead Health and Innovation District (WHID), this report seeks to make a NSW-specific contribution to addressing the “paucity of peer-reviewed research on successful links between smart cities, innovation, and affordable housing” (Dowling et al 2020, p.1).

Sources

- McNeil, D 2016, “Governing a city of unicorns: technology capital and the urban politics of San Francisco,” *Urban Geography*, vol.37, no.4, pp. 494-513.
- Dowling, R, Maalsen, S, Emmanuel, L & Wolifson, P 2020, *Affordable housing in innovation-led employment strategies*, AHURI Final Report No. 333, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/333>

Key Findings

Drawing on interviews with precinct partners in WHID, the report concludes that delivering affordable housing targeted at low to moderate income precinct workers have significant benefits for the precinct. However, there are identified significant challenges for implementation.

The key findings of the case study are summarised below.

Affordable housing can support the success of HFIDs by:

- Supporting the diverse health and innovation workforce required for HFIDs to function by providing secure and affordable housing close to workplaces. Affordable housing thereby contributes to attracting and retaining the emerging

talent that is key to the international competitiveness of HFIDs.

- Enhancing vibrancy and amenity to attract investment and businesses to the precinct. Many HFIDs, including WHID, are characterised by large-footprint health facilities, limited activation and lack of pedestrian amenity. Interviewees believed housing would help to diversify land uses within the precinct, improving the sense of community, amenity and vibrancy.
- Interviewees also believed provision of affordable housing is integral to an “ecosystem approach” to precinct development, where the supportive infrastructure surrounding the precinct (including housing) is proactively managed to enable the long term vision for an HFID.

These findings are largely consistent with the existing research literature, which found increasing attention to affordable and diverse housing by innovation districts as a strategy to improve amenity, and attract and retain a diverse workforce.

The findings of the WHID case study did, however, highlight the unique complexities of delivering affordable housing in an HFID – including the perceived “dilution” of health innovation character through incorporating non-clinical uses.

Barriers to delivering affordable housing in HFIDs:

- Complex precinct governance. Overlapping precinct development roles for government agencies in WHID has resulted in implementation challenges for delivering housing priorities. For example, there is a disconnect between strategic planning agencies, which have advocated for housing provision, and the priorities of land-owning agencies. This poses challenges for coordination.
- Competing priorities within the public health system. As the largest landowner and major anchor of WHID, NSW Health has significant influence over the future of the precinct. However, housing delivery is not “core business” for the public health system, which is under pressure to prioritise health services and infrastructure. NSW Health currently lacks the organisational expertise, resources and mandate required to proactively address demand for affordable housing. This limited focus on housing needs is reinforced by a lack of qualitative and quantitative data on workforce housing needs and aspirations that would increase the visibility of housing stress as an issue affecting health service delivery.
- Viability and land availability challenges. Affordable housing delivery in WHID is also impacted by broader viability challenges, including city-wide high housing costs, rising interest rates, unresponsive tax incentives for affordable housing delivery and the cost of building post-pandemic.
- Lack of broader government support to deliver affordable housing. NSW Health is not solely responsible for providing affordable housing in the precinct, and delivery is undermined by the lack of robust planning tools and funded programs to support affordable housing delivery across NSW Government.

There is limited existing research that “benchmarks” barriers to incorporating housing in innovation districts, but the above findings highlight the specific challenges for delivering affordable housing in both a NSW and HFID context.

The WHID case study also reinforces the findings of existing research regarding limited policy supports and planning requirements for affordable housing in NSW and Australia more generally.

Implications for Practice

The findings of the report point to several opportunities for change within HFIDs across NSW:

- As a key anchor and landowner in HFIDs, the public health system controls some levers to enable housing delivery, including access to land and potential tenants for affordable housing. These opportunities could be leveraged in partnership with developers, housing providers and other government agencies for whom housing delivery is “core business”. Proactive data collection on housing need, and developing “housing conscious” strategies could also enhance visibility of housing need within the public health system. However, NSW Health is not solely responsible for housing delivery, and the findings reinforce the need for broader government reforms to support affordable housing delivery in NSW.
- Clarifying precinct governance roles and responsibilities could also sharpen focus on affordable housing delivery in HFIDs. A special purpose authority could be well-suited to driving delivery of affordable housing, and broader precinct development activities.