

Partnering with Councils to increase Affordable Housing

Presented by the National Affordable Housing Consortium



PLUS

Build To Rent Affordable Housing

Community Land Trust or Similar
Retained Value Models

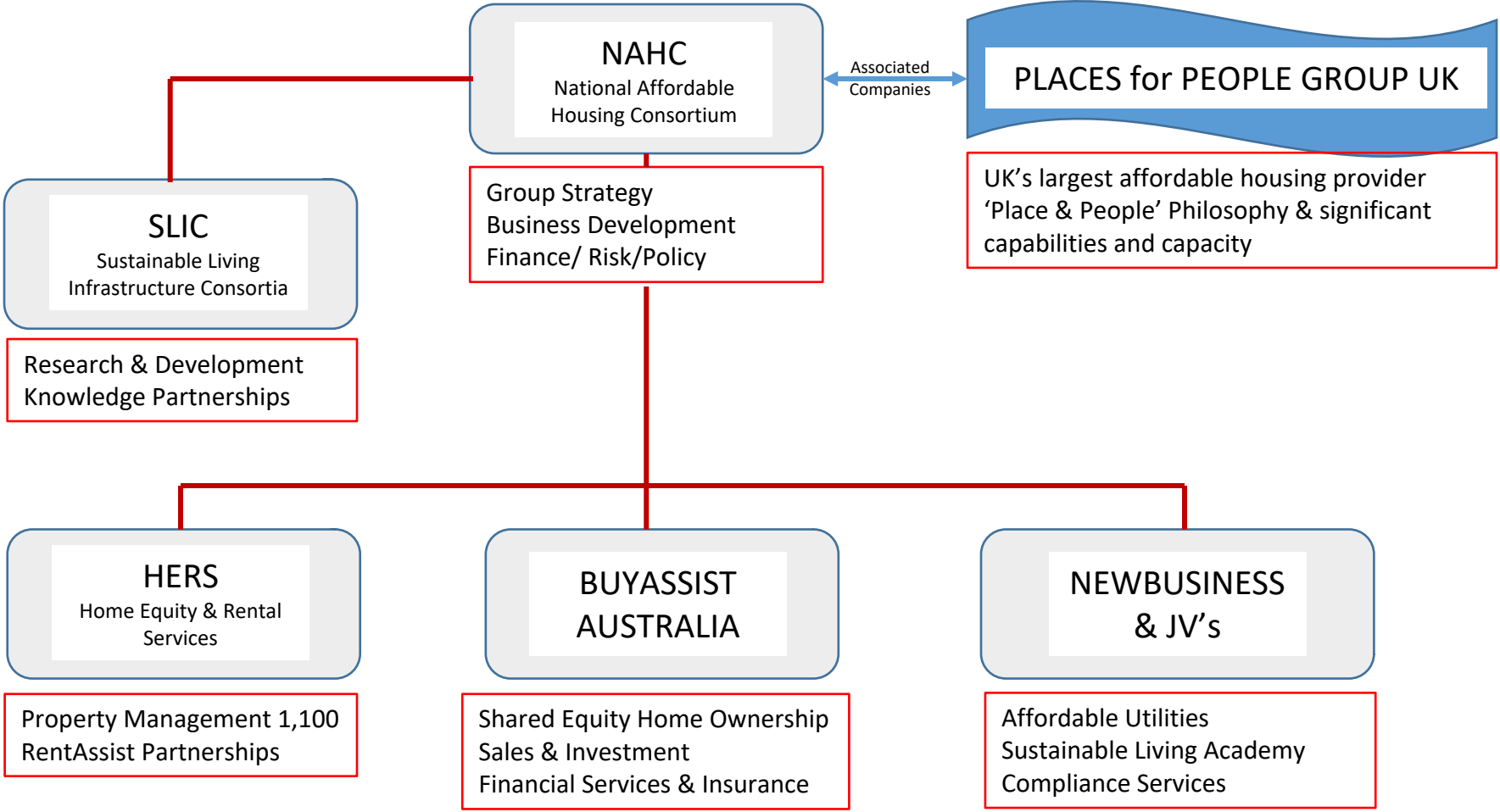
Affordable Rent to Shared Equity
Model

The National Affordable Housing Consortium

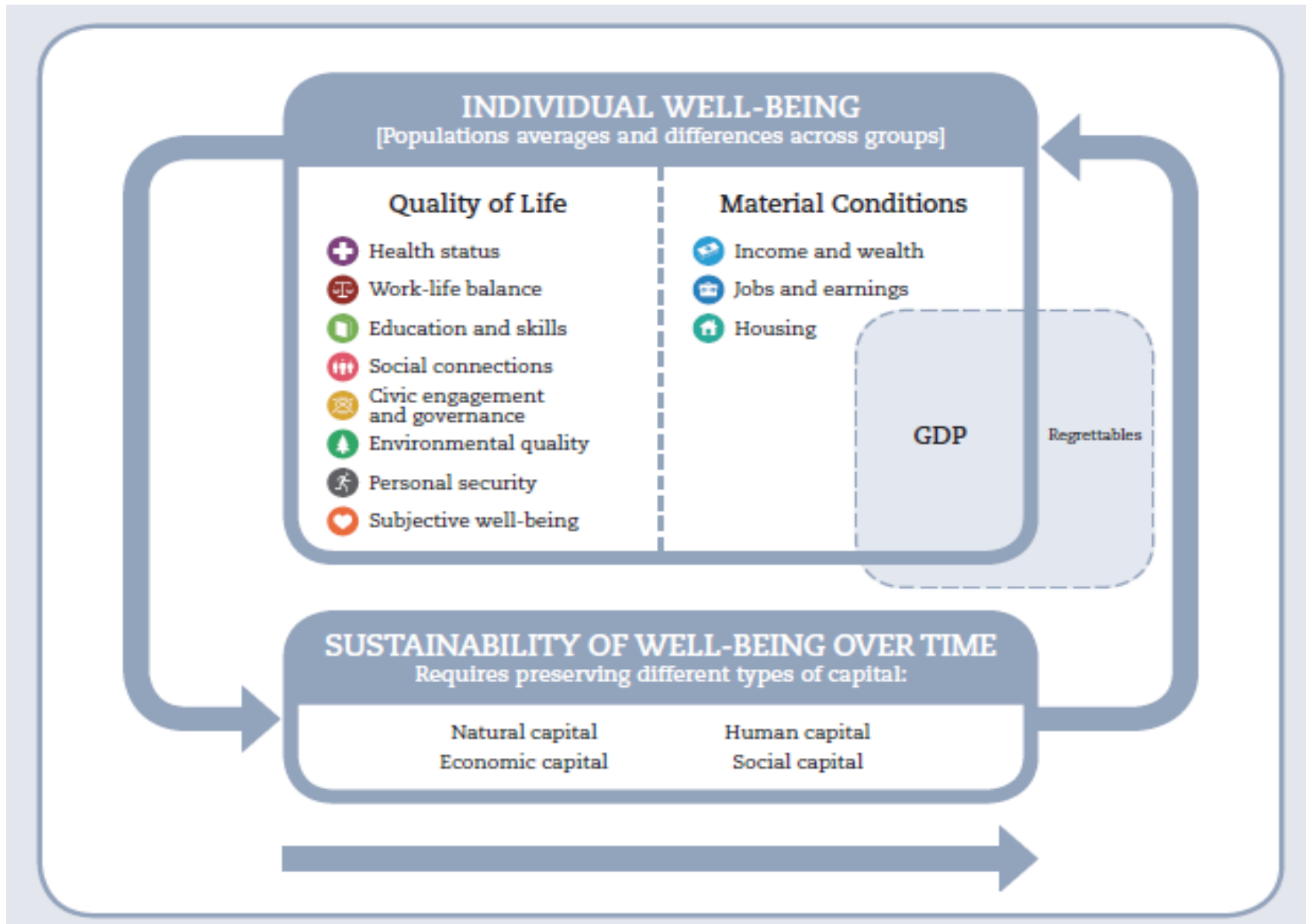
*3,580 New Affordable Rental Homes delivered, plus 200 in the pipeline. Attracted \$1.4 Billion in private investment. Saving Tenants \$18m per year.
Delivering up to 1,000 new shared equity homes by 2021*



GROUP STRUCTURE



OECD Framework for Measuring Well-Being and Progress



UNLOCKING THE 4 KEY SUCCESS FACTORS

Harnessing all levels of Government support
Having clear objectives and the capabilities to achieve them
Attracting institutional, long term finance
Creating collaborative long term delivery Partnerships

There is good evidence of a change in the level of Commonwealth & State Government activity; and in future policy and investment contestability, that hasn't been seen for a decade.

Key Themes

- Affordability is a mainstream issue, not just a welfare issue
- A collaborative and long term effort is required to meet the need for affordable housing, involving Governments, Community, Industry and Financiers
- New institutional arrangements have emerged in NSW, Victoria and at a Commonwealth Level and these can underpin new forms of funding, better suited to our purpose
- For NAHC, this puts our 'Consortia' partnership model, involving Governments, Community, Financiers and Industry in a strong position to attract and aggregate resources to maximise the practical delivery of housing affordability outcomes, and
- to recognise that Councils are a vital partner through their commitment to economic and social development that is inclusive and sustainable and that facilitating affordable housing can contribute to meeting that objective .

SYSTEMS & TOOLS FOR GROWTH:

Commonwealth: no comprehensive strategy but commitment to important mechanisms that Local Councils could harness through partnerships, including:

- The **Bond Aggregator** to access debt markets for social & affordable housing supply
- The new **Managed Investment Trust** vehicle for tax effective equity investment into affordable housing
- The **National Housing Infrastructure Fund**
- **Commonwealth Land**
- **New City Deals**

SYSTEMS & TOOLS FOR GROWTH:

State Government:- foundation for a more comprehensive strategy, with partnership opportunities including:

- ❖ **The Social & Affordable Housing Fund**
- ❖ **Public Housing Renewal; Communitiesplus**
- ❖ **Surplus Government Land**
- ❖ **Planning system directions**

Plus investigation of

- ❖ **Shared Equity Home Ownership**
- ❖ **Build to Rent**

NAHC:- What has changed for us since the last Byron Shire housing summit

NAHC's BuyAssist Australia Shared Equity Home Ownership program was formally launched last year, when Scott Morrison visited our Kelvin Grove [Qld] pilot. Since then the BuyAssist Shared Equity home ownership program has settled sales in Qld, Victoria and NSW. In September 2017 NAHC and the Victoria Treasury signed a contract to deliver and co-fund 100 BuyAssist new-build sales this year. Over 4,000 eligible households are now on the BuyAssist Register

Institutional Investment is the essential building block to successful housing policy outcomes in Australia. NAHC has entered into preferred partnerships with two large international funders to support our 4 proposed Build to Rent projects and our 2 Affordable Housing Portfolio aggregation programs

Government Renewals: NAHC is involved in 1 major renewal proposal in Victoria and 4 Communitiesplus tenders NSW

NAHC has partnered with a major Australian company to develop and pilot a “**wellbeing housing**” concept

Personal Housing Plans: NAHC will pilot the delivery of our Personal Housing Plan [Human Services] in NSW and Victoria

NAHC and the LGA Victoria ran a successful forum for Councillors and Officers around similar themes to today's seminar and we are **working with Councils** on practical solutions

BUYASSIST SHARED EQUITY HOME OWNERSHIP



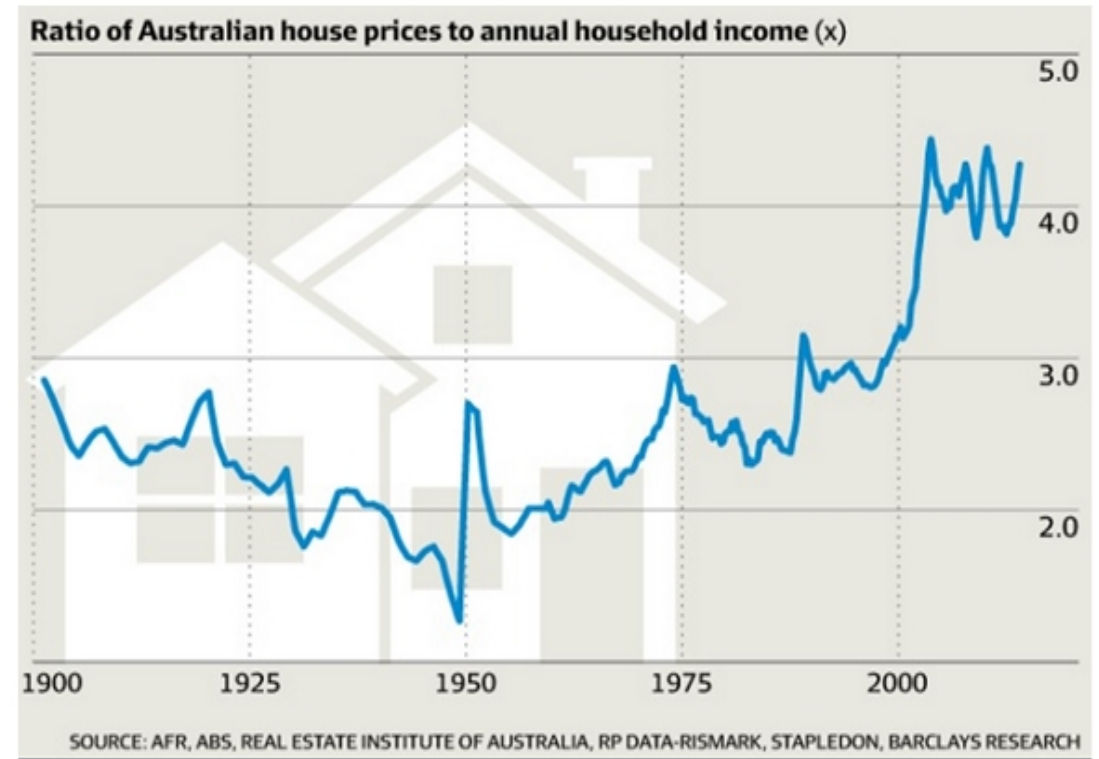
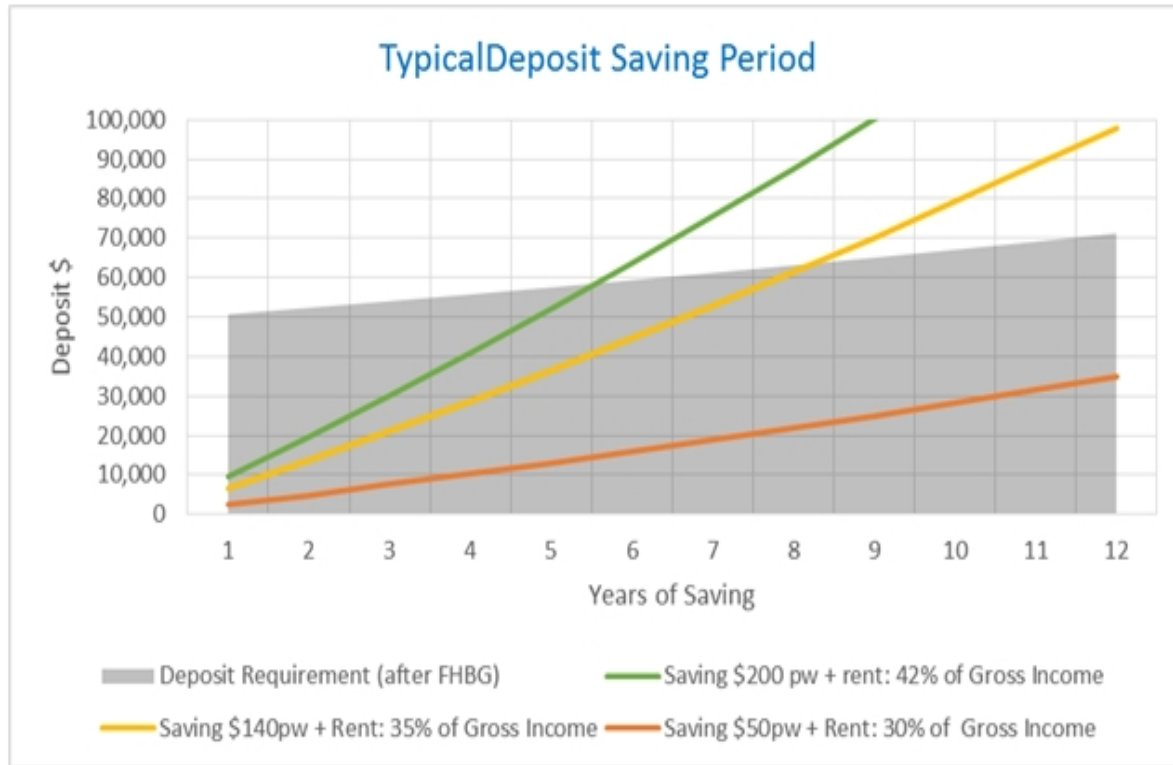
<http://www.buyassistaustralia.com.au/>

<https://www.youtube.com/watch?v=fnqnWuhTBKI>

Two Key Barriers to Home Ownership

Inability to save a deposit while paying rent

Lack of capacity to service a loan based on income (high housing price to income ratio)



HOW IS THE SHARED EQUITY FACILITATED ?

- ✓ **\$ for \$ Co-investment model.** e.g. Victorian Government grant & NAHC investment to deliver 100 new homes this year
- ✓ **Planning Gain Model.** % of negotiated or required affordable housing is delivered to SEHO [along with rental in most cases]
- ✓ **Government Land.** e.g. GLASS in Qld or CommunitiesPlus in NSW, Victorian Government inclusionary housing program, ACT land release program
- ✓ **Renewal.** As part of diversification and pathways solutions in renewal eg Qld, NSW, Victoria
- ✓ **Developers Direct.** As a build and hold or investment strategy for developers and / or as a contribution from developers
- ✓ **Social Impact Investors.** As a emerging investor option.

New long-term affordable rental tenure

- NAHC Financial Model for Build to Rent has been developed in partnership with Griffith University and WT Partners [QS]
- Specialised Charitable Structure under development by NAHC lawyers and Tax Advisers
- NAHC has funded Bond University to conduct a major policy-driven research paper to provide a contemporary way to define 'Affordability' and 'Affordable Housing'. The Commonwealth Treasury will receive this report to assist in guiding the parameters around the Bond / MIT / Infrastructure Fund and other policy instruments
- NAHC program of 4 BTR [at various stages] encompasses around 750 affordable dwellings, including through broader community partnerships. One project proposal includes a rent to buy [SEHO] at the end of term
- Affordable Build to Rent through a Managed Investment Trust beneficial but not adequate incentives
- Developing a New 'NRAS'-type investment model with the NAHP group
- Undertaking comparative feasibilities into the practical aspects of seeking to deliver CLT arrangements and comparisons to the more traditional asset 'trade off' [ie land for built assets swap]
 - The economics of CLT
 - The trade off in returns [Land owner and property provider] re level of affordability
 - Quality
 - Is it financeable, and if so is that the overall Best Value Proposition

Further Information

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