

**FY2024 Scale CHP Sector Capacity**

# Prospectus

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PowerHousing Australia Scale Community Housing Providers

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Cover Images (clockwise, starting top left): Brunner Road and Wickham, Home in Place (NSW), EveryOne, a Division of Metricon Homes, Lawrence St. SGCH (NSW), Bridgewater, Centacare Evolve Housing (TAS)



Coolamon Apartments,  
Churches of Christ (QLD)

# 01 Introduction

As detailed by CoreLogic's data, Housing affordability has now taken centre stage in the media, political discourse and kitchen table discussions, not just in Australia, but around the globe. Countries as diverse as Canada, New Zealand, Sweden, the Netherlands, etc. have all experienced unprecedented housing affordability challenges.

This can all be seen in the context of the aftermath of the COVID-19 pandemic, which drove so many to seek a safe place to shelter. But this should not be seen as a one-off event. Housing affordability was a significant challenge prior to the pandemic. The cost-of-living crisis will only intensify the need for truly affordable housing.

Yet throughout these challenges, Community Housing Providers (CHPs) have been a bedrock for more than 100,000 households across Australia. Even as the world was shaken so dramatically around us, tenants knew they had a safe and secure home with a CHP. This is why governments on both sides of the political aisle and across the country have come to recognise the importance of growing social and affordable housing through CHPs.

The previous Federal Government delivered the National Housing Finance and Investment Corporation (NHFIC) and the Affordable Housing Bond Aggregator, driving \$3.5 billion in loan approvals and saving CHPs over \$500 million in interest charges. The current Government has even bolder plans with 10,000 homes set to be delivered under the National Housing Accord, and another

30,000 homes under the promised Housing Australia Future Fund. The Government is intent on leveraging private investors and superannuation funds to drive the necessary growth in housing.

This investment will be met by a set of experienced and capable CHPs. The leadership, staff, and the tenant outcomes that we provide are all elements of the solution to the affordability crisis. Our partners and sophisticated industry relationships are helping us deliver the housing needed to solve this crisis.

Our workforce is now made up of a blend of professionals that have made a career in community housing, rising through the ranks alongside newcomers with notable previous experience in accounting, financial, legal, analytical, development and professional firms.

Long-term thinking around housing is now coming into play and, as a country, we are lucky to be seeing a common recognition of the need for affordable housing adopted nationally.

With interest rates rising and ominous portents on the economic horizon, there is a definite opportunity to redress the structural shortfall in safe, secure and affordable housing for households on low and very low incomes.

This document details the capacity of our 38 scale CHP members, their positive impacts and the opportunities available to deal with the housing affordability crisis.



Yarra Valley Tenant Excursion, HousingFirst (VIC)

# 02

## Community Housing

### Partners for Housing Australia's Future

#### Addressing the Need for Social and Affordable Housing

Housing affordability has been facing a long decline for many years; the recent dramatic declines in affordability after the COVID-19 pandemic only accentuate this fact. What is needed is long-term, structural and consistent investment along with systemic reform to create new social and affordable housing. CHPs are natural partners for this investment.

CHPs have a history of owning and managing housing stock for more than 30-years. CHPs are profit-for-purpose entities; they don't pay dividends to shareholders and returns are invested to create additional housing and tenant outcomes. CHPs already have established relationships, working with governments at all levels and local communities, as well as private partners including some of the nation's largest banks and developers.

They are part of an international community of best practice, which includes many other profit-for-purpose housing providers from around the globe. PowerHousing is the Australian representative in the International Housing Partnership (IHP), a collaboration of more than 175 high-capacity non-profits from Australia, Canada, the United Kingdom, and the United States that collectively operate one million affordable homes and house more than 2.5 million people.

In recent years, much of the growth in social and affordable housing in Australia has come from the community housing sector. In the effort to tackle

Australia's housing affordability crisis, CHPs stand ready to close the backlog in much needed housing for those on low- to middle-incomes.

#### Long-term Housing Solutions

Community housing isn't provided as a quick fix to address the problem of the hour. CHPs are committed to providing housing that is available to those in need and helps to tackle the pressing social and economic issues of the country.

Part of this effort is retaining housing stock within the sector. The National Rental Affordability Scheme (NRAS) created a new supply of affordable housing to market until its cancellation in the 2014-15 Budget. As the ten-year NRAS subsidies start to end, private market participants of NRAS have sold off their stock or dramatically increased their rents, leaving affordable housing tenants in a bind. CHPs have made a significant effort to retain their NRAS stock after the program's ending, providing tenants with affordable housing into perpetuity.

Build-to-rent is a model that CHPs have pioneered in Australia, long before large developers started offer boutique housing products. CHPs differentiate themselves by creating housing for those in need and have a track record of providing truly affordable housing to tenants. They are committed to making sure that the definition of affordable housing is there to provide benefits to tenants and not to provide an easy tax break to investors.

## North Coast Community Housing (NSW)



### Providing Disability Accommodation

PowerHousing and our Members are deeply involved in the provision of Specialist Disability Accommodation (SDA). Expanding disability accommodation to meet the need for safe and accessible dwellings for those with disabilities is one of PowerHousing's key objectives. Our membership manages over 1,700 SDA units around the country. From our vantage point, we are seeing some excellent examples of institutional investment partnering with CHPs to deliver SDA. This has seen enhanced housing outcomes for eligible participants, building investor confidence, supporting investor returns, and leveraging private capital to ensure sustainability of NDIS and government support.

### Affordable Housing Asset Class

PowerHousing Australia is continuing the work prompted by international examples of affordable housing investment. The Low-Income Housing Tax Credit (LIHTC) system from the United States has been operation since 1986. LIHTC supplies up to 10 per cent of all residential housing delivery per year and is a safe, government backed investment class. The LIHTC supply was durable enough to bolster the housing pipeline in even the toughest of climates, this includes during the Great Recession which decimated the US housing market.

PowerHousing has worked with Paxon Group to develop a research report on the subject, *Creation of a Global Asset Class for Affordable Housing*. This report outlines that there is a space in the housing landscape for investors to fund affordable housing development as a long-term, safe social infrastructure investment vehicle.

This idea has picked up steam as investors have started partnering with CHPs to produce affordable housing outcomes. Recently, Conscious Investment Management announced a \$150m deal with HousingFirst to acquire social and affordable housing stock. Lighthouse Infrastructure has similarly announced \$120m to invest in key worker housing with SGCH. Both these examples offer guidance for future affordable housing investment that will be replicated as the environment matures.

### Federal Commitment to Housing – Housing Australia Future Fund

The recent Federal Election saw a change in Government. The election campaign was contested under a backdrop of increasing cost of living pressures and declining housing affordability. The Australian Labor Party took a set of housing policies to the election: a First Home Buyer Support Scheme, a Help-to-Buy Scheme, a National Housing Supply and Affordability Council, a National Housing and Homelessness Plan and a Housing Australia Future Fund.



### National Housing Supply & Affordability Council



### National Housing Accord



### Housing Australia Future Fund

Added to these commitments is the National Housing Accord, which promises to work with states and local governments to create 10,000 affordable homes. The Government has already released \$575m from the National Housing Infrastructure Facility to invest into social and affordable housing and created an interim Housing Supply Council to begin the important work of housing reform. The Housing Australia Future Fund remains the largest of the Government's commitments, promising to build 30,000 social and affordable homes over the first five years of its operation.



# 03

## Australia's Housing Affordability Crisis

Housing and housing affordability were intense concerns during the COVID-19 pandemic. Housing was an essential component of keeping Australians healthy and safe during the crisis. Understandably, housing became a desirable commodity during the pandemic; large homes in regional or traditionally affordable markets were a refuge during lockdowns and social distancing.

The impacts of the pandemic, along with expansionary monetary policy, led to an extraordinary increase in housing values after the onset of the pandemic. Between March 2020 and the peak in April 2022, dwelling values rose an astonishing 26.2% nationally. Regional areas, which saw significant inflows of migration induced by COVID, saw a 41.6% increase in dwelling values to their peak in June 2022.

From that time, national home values have declined by 9.1%. Declining values have not relieved affordability pressures and it appears that the market has bottomed out at prices well above their pre-COVID levels. House values are stabilising or rising in many parts of the country. High auction clearance rates shows that there is strong demand in the market. Persistent low levels of

advertised supply are also supporting home values.

After interest rates collapsed during the COVID-19 pandemic, mortgage rates have increased at an incredible pace and by a large amount. The Reserve Bank of Australia, having previously committed to maintaining the cash rate at 0.1% until 2024, has passed ten concurrent increases in the cash rate over the past year, from 0.1% to 3.6%.

At the same time, cost of living pressures have put a strain on household budgets. Consumer prices—measured by the consumer price index (CPI)—increased by 7.8% over 2022. Wages have not kept up with prices; the wage price index (WPI) has been outpaced by the CPI since June 2021. Average families simply can't afford as much as they used to.

Compounding all of this, migration is coming back at full pace after a period of closed borders and migrant outflows during the pandemic. The latest figures indicate that Australia will see the largest migration intake since the mid-2000s. This is at a time of extremely low rental vacancy rates and slump in new housing construction.

### Interest Rates and the Mortgage Cliff

	National	Combined Capital Regions	Combined Regional
<b>Median Dwelling Value: Nov-21</b>	\$742,423	\$822,368	\$569,477
<b>Starting Mortgage Balance: Nov 21</b>	\$593,938	\$657,894	\$455,582
<b>Monthly Payments: Nov-21</b>	\$2,482	\$2,749	\$1,904
<b>Remaining Balance: Nov-24</b>	\$549,253	\$608,398	\$421,306
<b>Monthly Payments: Nov-24</b>	\$3,966	\$4,393	\$3,042
<b>Increase in Monthly Payments</b>	\$1,484	\$1,644	\$1,139

Source: CoreLogic (Values Only), PowerHousing Australia

During the COVID-19 pandemic, many families took on low-rate fixed-term mortgages at the peak of the market. As those fixed-rate terms come off in 2024, families face a mortgage cliff as they move to much higher variable and fixed interest rates.

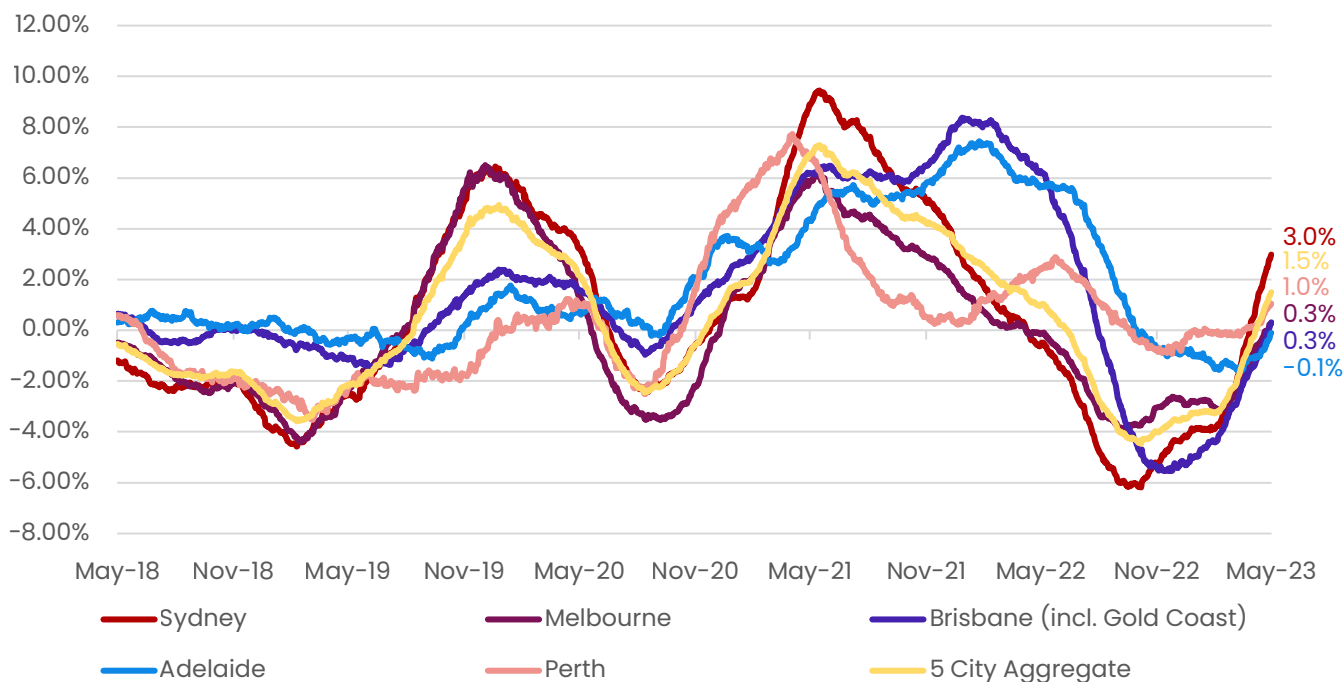
To illustrate the mortgage cliff, PowerHousing has modelled 3-year fixed-rate mortgages (30 year mortgage term) taken out near the price peak in November 2021 (assumed at a rate of 2.93%<sup>1</sup>) moving to a variable rate loan in November 2024 (assumed at a rate of 7.52%<sup>2</sup>).

A family in one of the capital cities that bought a home at near peak prices for \$822,368 in November 2021 is looking at facing an increase in mortgage payments of \$1,644 per month. A family in regional Australia that bought a home for \$569,477 in November 2021 is facing an increase in mortgage payments of \$1,139 per month.

<sup>1</sup> Based on RBA Indicator Lending Rates.

<sup>2</sup> Based on the ASX 30-day interbank Cash Rate Futures Implied Yield Curve & RBA Indicator Lending Rates.

## Rolling three-month change in dwelling values, 5 capitals



Source: CoreLogic

### Market Turnaround

After strong value declines in 2022 after the Reserve Bank began its rate tightening cycle, the pace of price declines moderated in late-2022/early-2023. The past year saw substantial declines in major cities; Sydney is still 10.7% and Hobart is 12.7% below their values this time last year.

The national market has started to pick up with a 0.6% increase in national home values in March and a 0.5% increase in April. Sydney is leading the turnaround, increasing 1.3% in April and 3.0% over the past 3-months. Adelaide is the only remaining of the five major capital cities yet to increase in value since the start of 2023.

National home values are still 8.0% below their levels this time last year, and 9.1% below their peak values. But it appears that values have stabilised despite the substantial increases in interest rates.

Some factors that are holding up home values include:

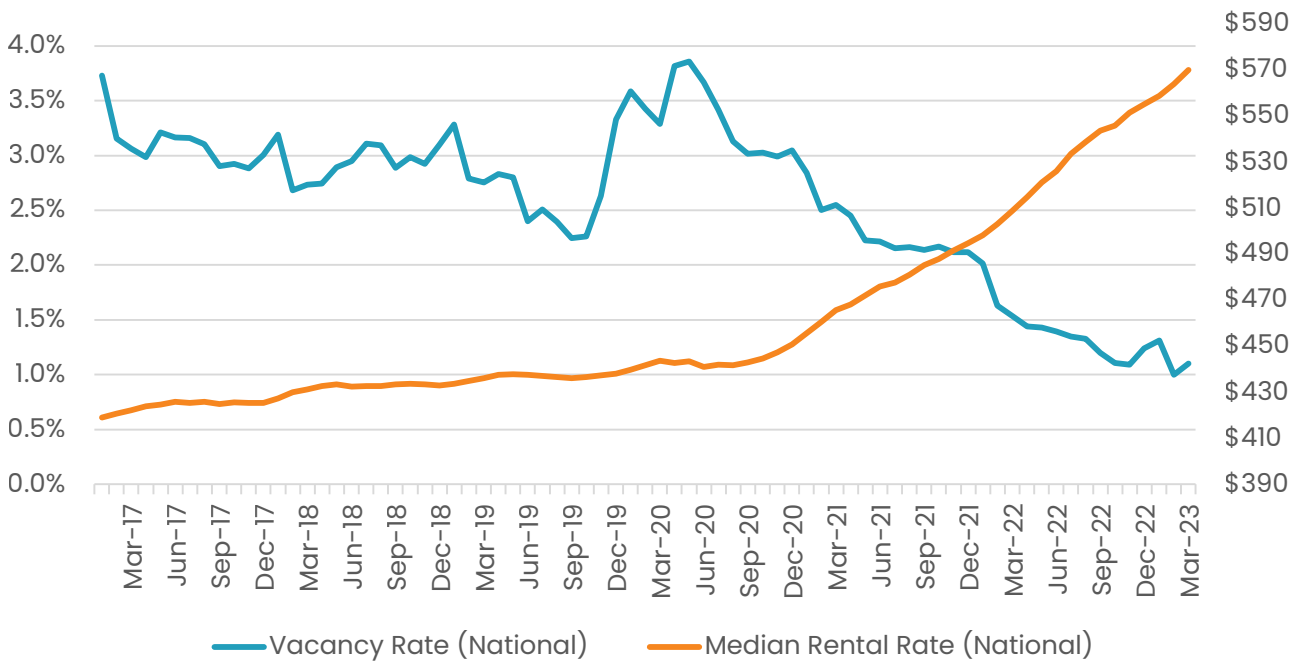
- Persistently low levels of supply: The flow of newly listed properties remains below the five-year average, doing so since September 2022. The limited supply of new listings has kept a floor on prices.
- Strong economy and jobs: The national economy remains strong, regardless of the aggressive credit contraction from the RBA. Unemployment remains at a historically impressive 3.5%, a rate not seen since the 1970s. Strong employment has helped maintain demand for housing.
- Tight rental market: The extreme tightness of the rental market—close to 1% national vacancy rates—has made buying more attractive compared to renting, even with the high interest rates.

### Home value index results as at 30 April, 2023

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Combined capitals	Combined regional	National
<b>Month</b>	1.3%	0.1%	0.3%	0.2%	0.6%	0.0%	-1.2%	0.0%	0.7%	0.1%	0.5%
<b>Quarter</b>	3.0%	0.3%	0.1%	-0.1%	1.0%	-2.4%	-2.0%	-1.0%	1.4%	-0.1%	1.0%
<b>Annual</b>	-10.7%	-8.9%	-9.8%	1.3%	1.3%	-12.7%	-0.5%	-9.3%	-8.4%	-6.8%	-8.0%
<b>Median Value</b>	\$1,031,138	\$751,125	\$705,016	\$650,981	\$572,837	\$648,811	\$484,483	\$839,732	\$771,579	\$579,818	\$709,130

Source: CoreLogic

## Australia's Rental Crisis



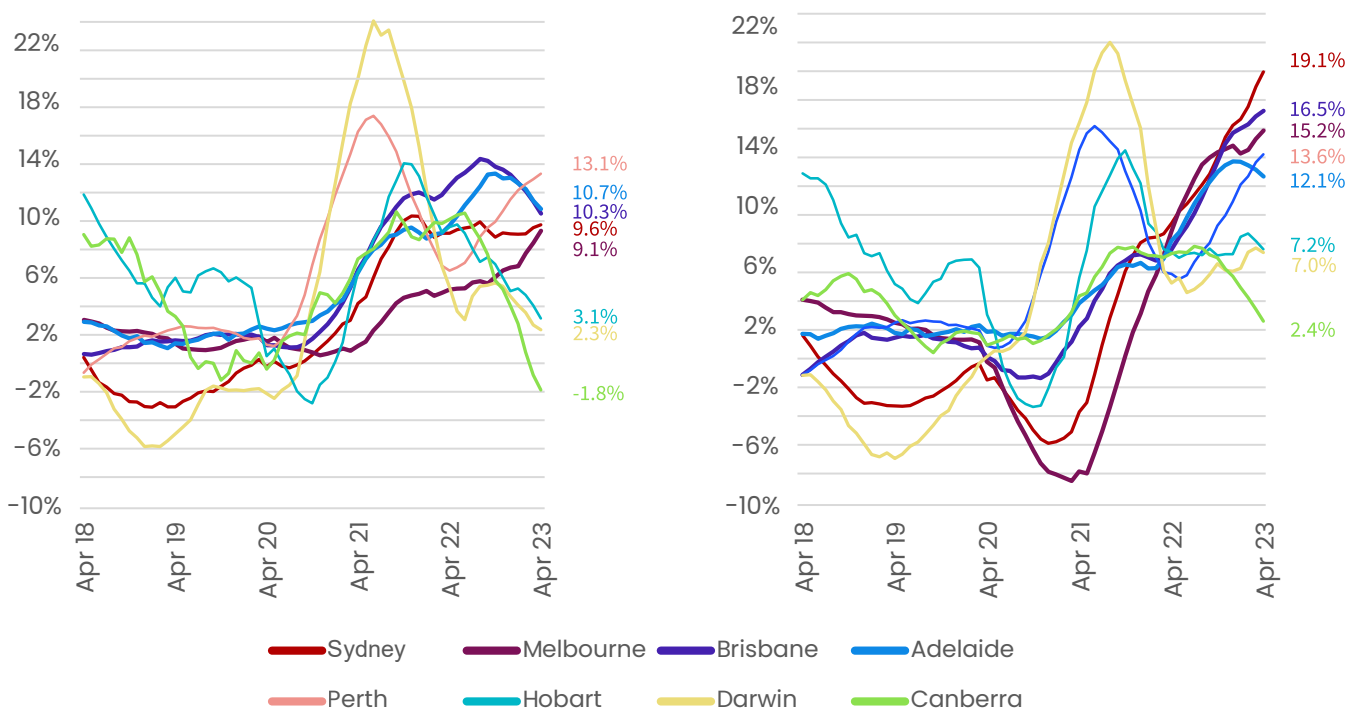
Source: CoreLogic

### Entering a Rental Crisis

It is in this context that the rental market has entered a period of excessive stress. National vacancy rates have declined sharply since mid-2020, falling to multi-decade lows near 1%. In cities like Adelaide and Perth, vacancy rates are now well below 1%. As vacancy rates have fallen, rents have been steadily rising. The national median rent has climbed from \$440 per week in January 2020 to \$577 per week in April 2023, an increase of \$137 a week or \$7,124 a year.

Strong competition for rentals will place particular strain on those in the low end of the market. The Anglicare Rental Affordability Snapshot 2023 surveyed 45,895 rental listings across the country and found that percentage of dwellings affordable to people on low incomes or on government support payments (no more than 30% of the household budget) was shockingly limited. Only 1.1% of properties surveyed were affordable for a couple on the Age Pension and just four properties were affordable for a single on the Jobseeker Payment.

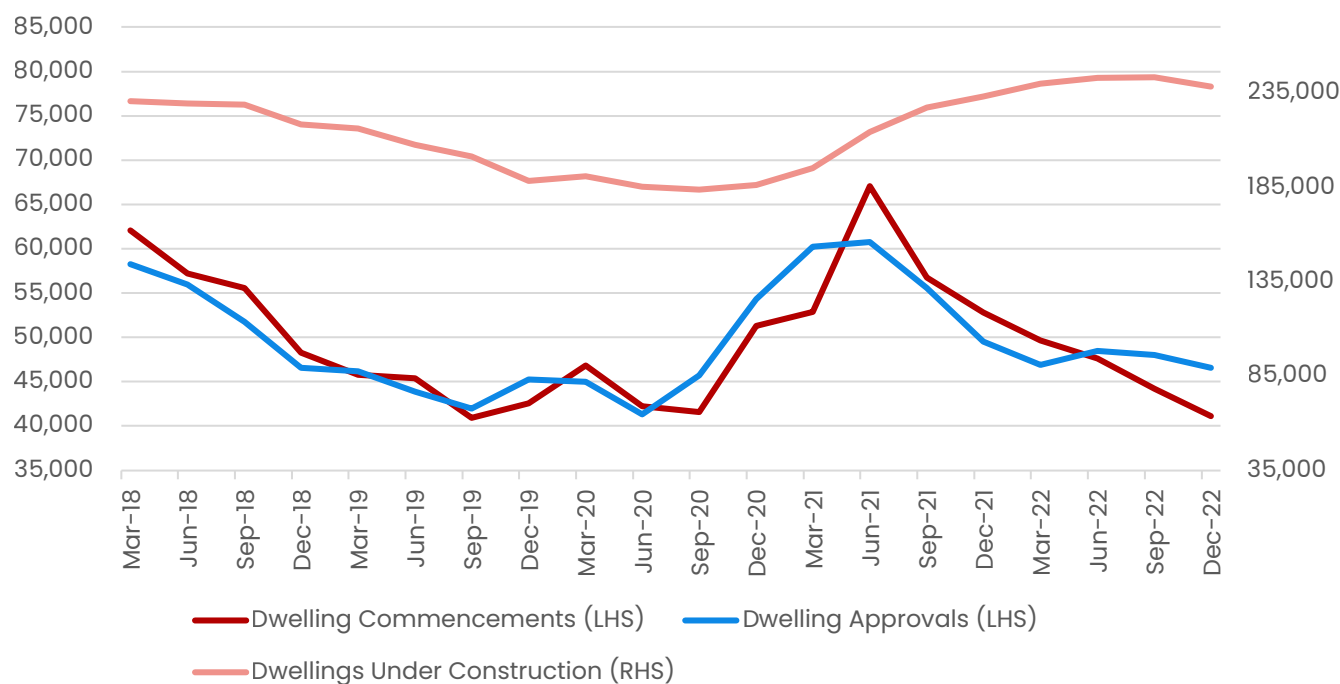
### Annual change in rents, Houses (left) and Units (right)



Source: CoreLogic



## Building activity, quarterly



Source: ABS, Building Activity, Australia

This rental crisis will only get worse given the forces that are bearing down on the market. Migration and falling household sizes are increasing the demands for housing.

Migration has started to surpass its pre-COVID levels as the border has been reopened. Migration brought 304,000 net overseas migrants to Australia over the year to September 2022 (National, state and territory population, Centre for Population, March 2023). This is the largest level of overseas migration to the country since the year to March 2009 and a 56% increase over the 194,400 net migrants Australia received in the financial year 2020-21.

Household sizes are also getting smaller. The 2021 Census identified that the average household size has declined from 2.59 people per household in 2016 to 2.54 in 2021. The decline in household size is enough to drive the demand for just under 200,000 additional dwellings over those five years. The RBA has previously indicated that the fall in household size during the COVID-19 pandemic helped buoy housing demand (RBA, Housing in the Endemic Phase, May 2022). Further declines will place even more pressure on limited housing stock.

### Lack of Housing Supply

Meanwhile, there is concern that the supply of housing has bottomed out, indicating a structural shortfall over the coming years that needs to be addressed.

Seasonally adjusted building activity peaked in June 2021 with over 67,000 buildings started over the quarter, falling to just over 41,000 in December 2022 (Building Activity, ABS, April 2023). If annualised, this rate of dwelling commencements puts Australia on course for

164,000 homes starts over the year, which is well below the decade average of just over annual 200,000 homes commencements. Monthly Building approvals peaked during the HomeBuilder boom at 23,237 in March 2021 (Building Approvals, ABS, April 2023). Approvals have now fallen to their lowest levels since 2012, reaching 12,661 in February 2023, well below the decade average of 15,967 monthly approvals.

Much of the housing under construction aligns with the elevated approvals and commencements from the HomeBuilder program in 2023. The roll-off of the HomeBuilder program is leaving a large gap in approvals and commencements. There was a record 243,456 buildings under construction in August 2023, only falling slightly in December 2022 to 238,475 (Building Activity, ABS, April 2023). The significant lag in the number of dwellings under construction compared to approvals and commencements indicates that there are significant delays in the completion of new homes.

These delays come with the pressure of rising interest rates, material and trade shortages and builder failures, which are all hampering the efforts to construct more housing. This has led the National Housing Finance and Investment Corporation (NHFIC) in its latest State of the Nation's Housing report to find that the cumulative gap between new household formation and new housing supply will reach 106,300 dwellings over the five years from 2022 to 2027.

## Rent to Income Ratio

Rental affordability can be measured by the percentage of household income required to rent a home. On a national level, the proportion of income to rent is sitting two percentage points higher than the decade average. This follows a general trend across the markets, with only Melbourne, Sydney and Darwin improving their rental affordability when compared to the decade average.

The remaining regions of NSW are identified as the most unaffordable of markets across Australia with 38% of a household's income required to rent a home. The rest of Queensland is not far behind with 35% of household income required to rent a home.

Rents in regional areas are generally less affordable than their metropolitan counterparts. This divergence has increased recently as rents have increase in regional market. A household in the combined regions now has to pay 5% more of their income to afford renting a home compared to a counterpart in the combined capitals. This is compared to a 2.4% premium over the decade.

### % of household income required to rent a home (latest 6-month update)

	Decade Average	Sep-22
Sydney	32.0%	31.6%
Melbourne	27.1%	26.5%
Brisbane	27.7%	30.3%
Adelaide	29.5%	33.4%
Perth	26.8%	28.6%
Hobart	30.9%	34.4%
Darwin	25.2%	23.6%
ACT	24.0%	26.6%
Rest of NSW	33.7%	37.9%
Rest of Vic.	27.8%	31.0%
Rest of Qld	31.8%	35.3%
Rest of SA	25.9%	28.9%
Rest of WA	26.4%	29.4%
Rest of Tas.	29.0%	33.3%
Rest of NT	32.9%	34.4%
Combined Capital Regions	28.4%	29.1%
Combined Regional	30.8%	34.1%
National	29.6%	31.6%

Source: ANU, CoreLogic

## A typical rent costs

**38% of the median household income in regional NSW and 35% in regional Queensland**



Source: ANU, CoreLogic

## Sales by Price Point

The proportion of properties transacting at low price points has declined substantially over the past 15 years. Sydney and Melbourne show the smallest proportion of dwellings transacting below \$500,000, with only 2.3% and 2.4% of houses respectively selling at a price below this level over the past 12 months. A decade ago, more than a third of Sydney houses and more than half of Melbourne houses sold for less than \$500,000.

With unit values generally lower than house values, a higher proportion of units (38.5%) are selling at prices below \$500,000 compared to houses (25.7%) nationally. Adelaide and Perth markets have the highest proportion of units—approximately two thirds—selling for less than \$500,000. Sydney is an outlier with the lowest proportion of units (13.3%) selling for less than \$500,000. Melbourne has the second lowest proportion at 28.6%.

Some of the largest changes in sales by price point over the last 15 years comes from Hobart and the Australian Capital Territory (ACT). In 2008, Hobart saw more than 90% of units sold for less than \$500,000 and now less than a third do. At the same time, 87.7% of homes sold for less than \$500,000 and an eighth do. In the ACT, two thirds of homes sold for less than \$500,000 in 2008 and now less than 5% do. 86.7% of units in the ACT sold for less than \$500,000 in 2008 and now a third do.

## Only 2.3% of houses in

**Sydney and 2.4% of houses in Melbourne sold for less than \$500,000 in 2022**



Source: CoreLogic

## Price to Income Ratios

The latest figures comparing the median dwelling value to the median household income show a nearly uniform decline in affordability when compared to the previous decade's average. Only Darwin has become more affordable while Perth remains level with the decade average.

Sydney used to have the highest dwelling price to income ratio, but that has now been overtaken by the rest of NSW. Regional areas have seen a significant increase in internal migration away from the capital cities through the COVID pandemic; net internal migration to regional Australia hit a record high in the year to March 2021. Regional NSW was a prime destination for many. Regional centres like Orange, Shoalhaven, Coffs Harbours and Maitland saw their dwelling values increase by more than 30% over 2021 as demand for local housing stock increased.

## % of sales under \$500k, 12 months ending in Jan 2023, 2018, 2013, 2008

		2008	2013	2018	2023
Australian Capital Territory	H	67.8%	53.5%	23.6%	4.2%
	U	86.7%	76.6%	70.7%	33.2%
Greater Adelaide	H	83.4%	73.7%	58.0%	23.4%
	U	93.3%	91.6%	82.5%	65.8%
Greater Brisbane	H	74.5%	64.3%	46.8%	14.8%
	U	83.6%	79.3%	73.2%	57.6%
Greater Darwin	H	84.1%	43.1%	48.8%	29.0%
	U	92.8%	74.1%	76.0%	77.3%
Greater Hobart	H	87.7%	83.3%	67.9%	12.5%
	U	91.3%	90.3%	77.8%	30.7%
Greater Melbourne	H	69.5%	53.1%	18.6%	2.4%
	U	80.8%	64.3%	43.3%	28.6%
Greater Perth	H	61.7%	55.6%	52.7%	41.4%
	U	70.8%	67.1%	67.5%	68.9%
Greater Sydney	H	50.2%	37.5%	6.6%	2.3%
	U	71.0%	47.6%	12.1%	13.3%
Combined Capitals	H	67.0%	53.4%	30.2%	14.4%
	U	78.0%	61.1%	37.5%	34.8%
Combined Regions	H	86.1%	82.2%	66.2%	41.8%
	U	82.5%	86.5%	73.9%	49.9%
National	H	74.4%	64.3%	44.7%	25.7%
	U	79.3%	66.9%	46.0%	38.5%

Source: CoreLogic

## Dwelling Price to Income Ratio (latest 6-month update)

	Decade Average	Sep-22
Sydney	8.7	9.6
Melbourne	7.5	8.0
Brisbane	6.1	7.6
Adelaide	6.5	8.2
Perth	5.8	5.8
Hobart	6.2	8.5
Darwin	4.3	3.9
ACT	5.3	6.7
Rest of NSW	7.0	9.7
Rest of Vic.	5.7	8.0
Rest of Qld	5.7	7.0
Rest of SA	4.5	5.2
Rest of WA	4.6	4.9
Rest of Tas.	5.3	7.9
Rest of NT	4.9	5.1
Combined Capital Regions	7.2	7.9
Combined Regional	6.0	7.8
National	6.9	8.2

Source: ANU, CoreLogic

Other regional areas have seen significant declines in affordability. The dwelling price to income ratio for the rest of Victoria has increased to 8.0, which puts it level with Melbourne itself. This compares to a decade average of 5.7. The rest of Queensland, also with a decade average of 5.7, has seen its price to income ratio increase to 7.0. The rest of Tasmania has also seen a dramatic change, increasing its price to income ratio to 7.9.

In terms of dwelling price to price, regional areas were generally considered more affordable than the cities. The figures for the past decade reflect this, with a price to income ratio of 6.0 in the combined regions versus 7.2 in the combined capitals. This gap has narrowed with the ratios sitting at 7.8 and 7.9 respectively as of September 2022.

The next data series, available in mid-2023 should show improvements in affordability in the dwelling price to income ratio, reflecting the recent price falls. Although the outlook of affordability should be tempered as this does not reflect the higher rates that mortgage holders must pay.



Link Wentworth Housing Team ahead of the Big Housing Debate, Link Wentworth (NSW)

# 04

## CHPs: Sustainable Businesses

One thing that makes PowerHousing Member Community Housing Providers (CHPs) critical to the housing sector and sets them apart from other housing providers is that they are scale not-for-profits, focused on providing social and affordable housing for large numbers of moderate to very-low income earners. CHPs complement government policies to increase homeownership and reduce rental stress for all Australians.

Another important feature of the CHP model is that we do not distribute returns to shareholders, with revenues from these financially sustainable businesses ploughed into additional housing outcomes. CHPs are regulated entities with boards of the highest acumen and governance with ASIC-like structures and frameworks making them rock solid organisations.

Our CHPs are both financially literate and responsible, and this is evident by the expertise and career stories of the C-Suite of CEOs, CFOs, CIOs, COOs, and development/asset executives. They are capable of executing plans to achieve financial outcomes while at the same time adapting to and working with a rapidly changing political and economic environment.

The most recent Australian Institute of Health and Welfare National Social Housing Survey reports that at community housing tenants have higher levels of satisfaction than those living in other forms of social housing, have better satisfaction with maintenance services and are better able to meet tenant amenities such as thermal comfort and ease of access.

The ability of CHPs to deliver best practice outcomes for tenants and provide affordable housing services through a sustainable business model of reinvestment for social purpose has helped the community housing sector to grow rapidly in the last decade. The number of community housing dwellings has almost doubled between 2011 and 2021 from 57,500 to 108,500 dwellings, while public housing has decreased by 31,000 in the same period.

As CHPs continue to work in partnership with different levels of government and the wider private sector, the community housing sector is destined to see greater growth, providing more housing to more Australians.

## PowerHousing Member Asset and Financial Snapshot

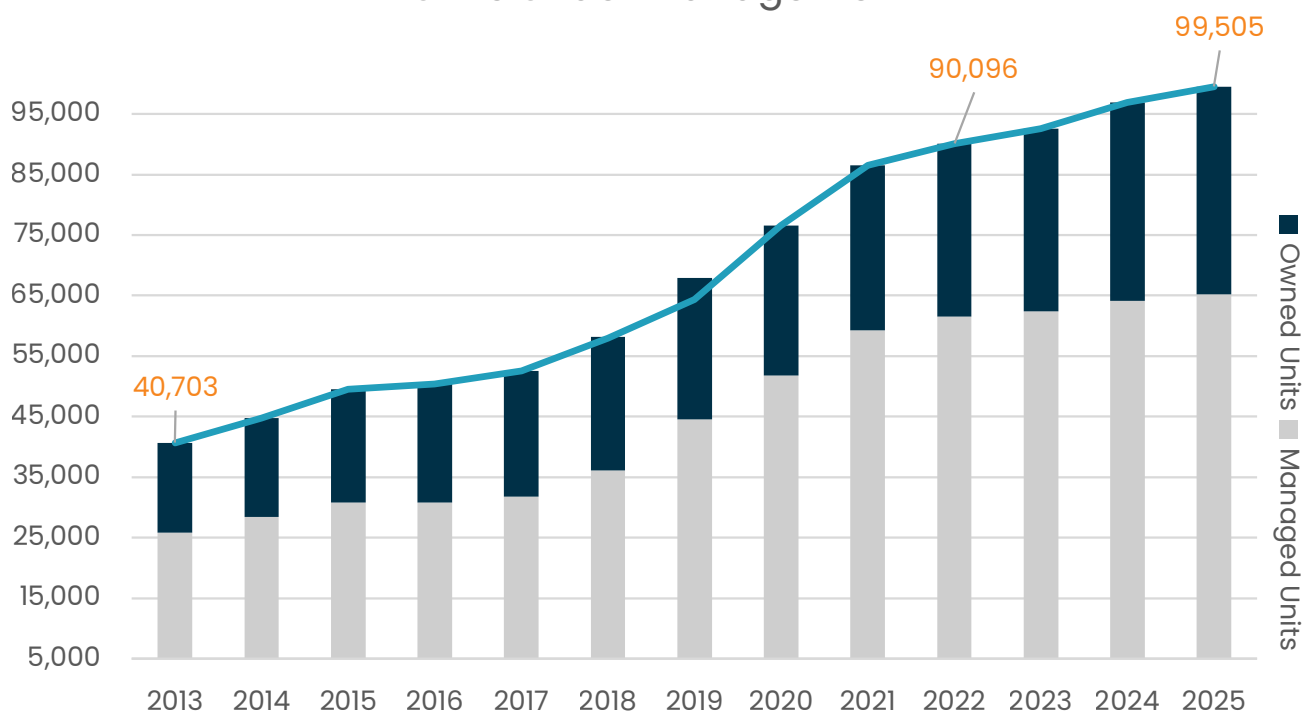
The community housing sector has grown in sophistication and complexity over the past 20 years, through partnerships with private industry, other not-for-profits and financial entities. These partnerships have enabled the sector to grow as detailed in this section. The data for this section was collected in collaboration with PowerHousing Australia member CFOs and analysed by Jeff Logan, former CFO of Foundation Housing Limited. The data collected includes inputs from PowerHousing Australia's 38 member organisations.

## 7.1 Units of Accommodation

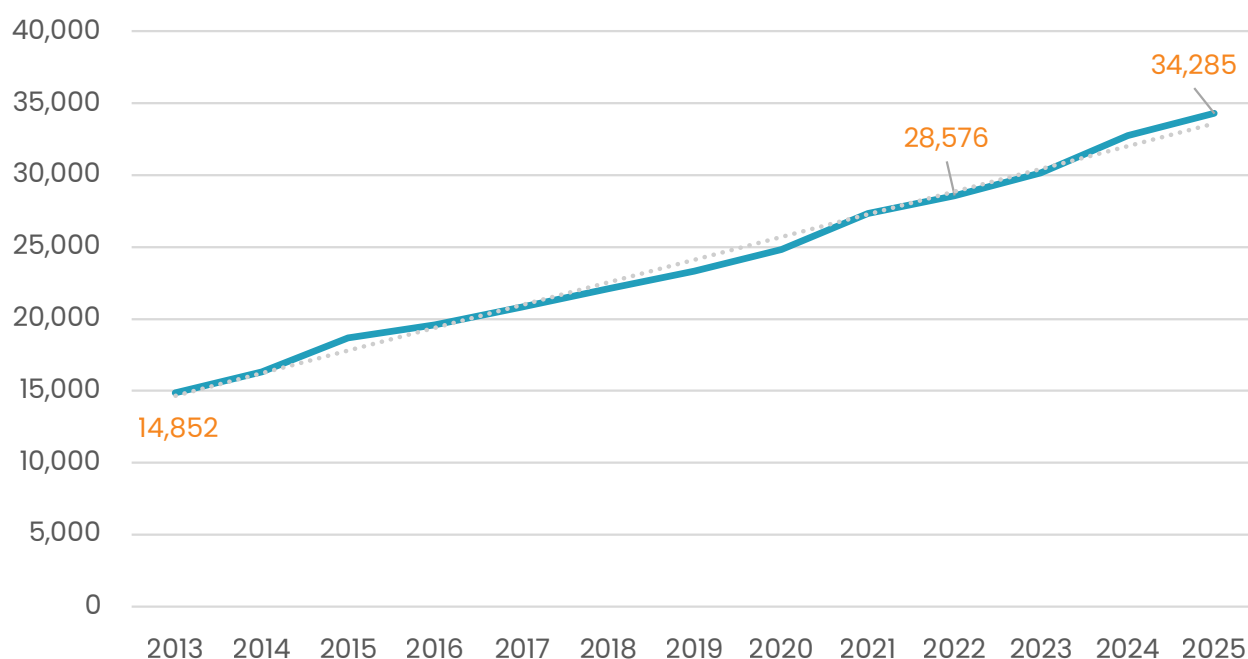
PowerHousing Members collectively managed 90,000 units of accommodation at the end of FY2022 and are projected to be managing 93,000 by the end of FY2023. This represents a growth of around 52,000 units of accommodation over a ten-year period, an increase of more than 100 per cent.

PowerHousing Members managed stock worth \$30.6 billion in FY2021, representing an increase of almost double over the last five years. Members are projected to manage stock worth \$38.6 billion by 2024.

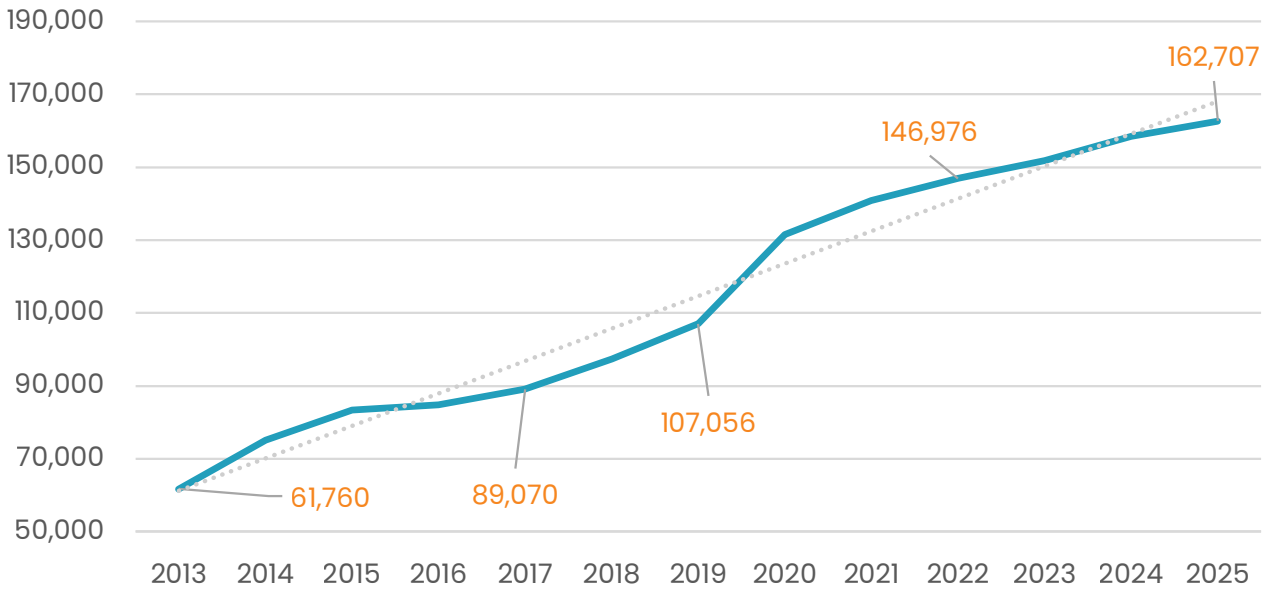
### Units Under Management



### Units Owned



## People Housed



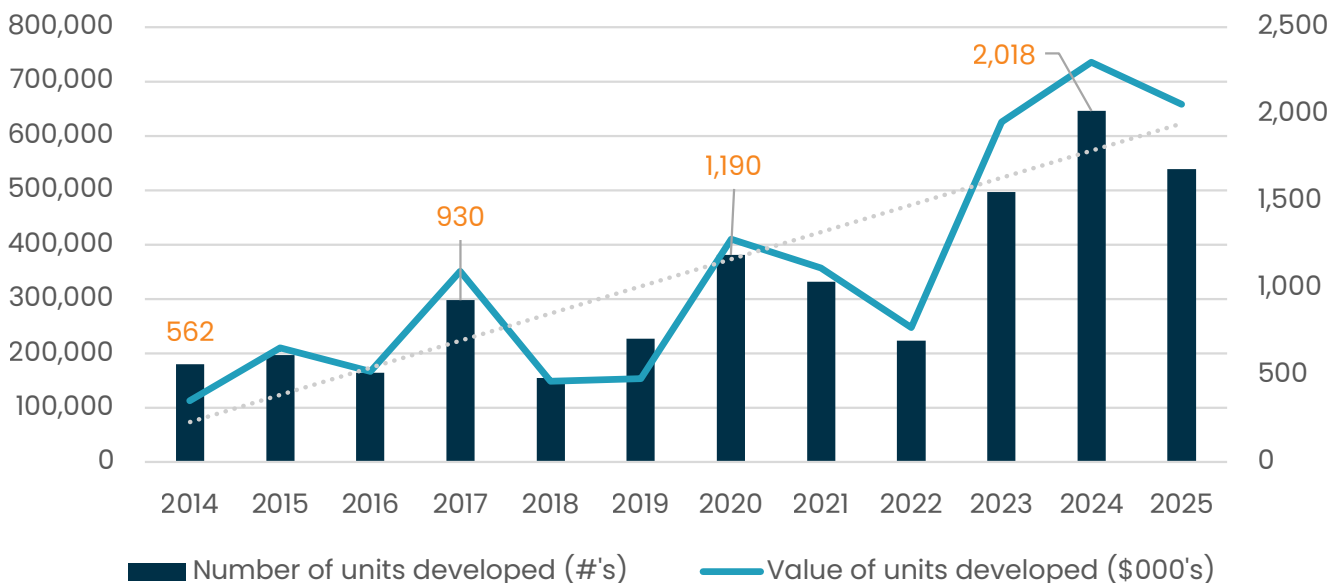
### 7.2 Tenants

PowerHousing Members housed over 146,000 people at the end of FY2022 and are projected to add another 15,000 to that total by FY2025. These figures have increased as more Tier 1 and equivalent CHPs have sought PowerHousing membership.

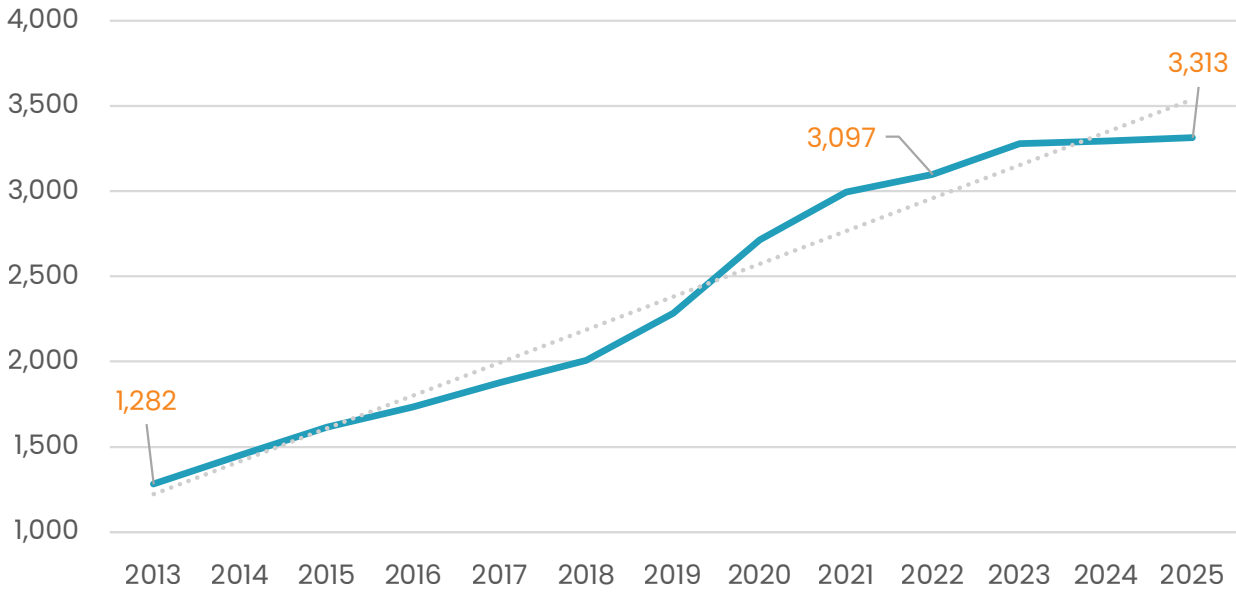
### 7.3 Development

Much of the sector's growth in recent years was enabled by financial leverage made possible through asset transfers and NHFIC lending. NHFIC lending has enabled lower financing costs resulting in a greater potential leveraging against the value of the assets owned. Members also doubled the annual rate of homes developed over that period, from 562 in 2014 to 1,190 in 2020, with a historic high of around 3,000 homes a year. That number is set to double again by 2024 with a record 2,018 homes set for completion.

## Development Pipeline



## Number of Staff Employed



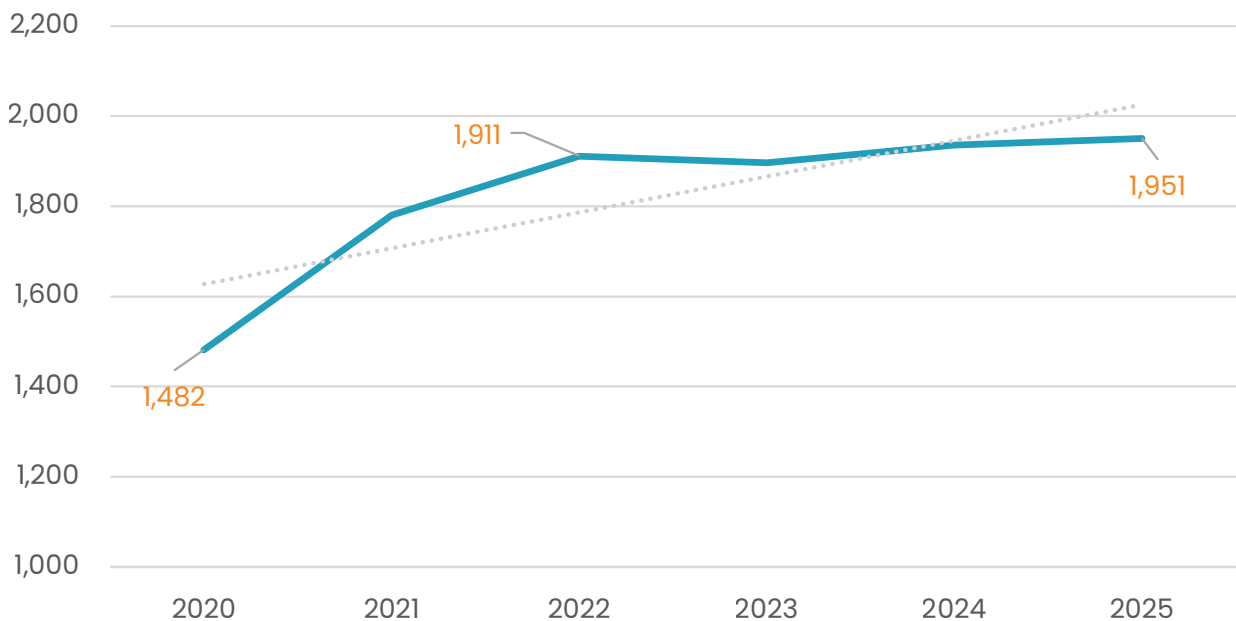
### 7.4 Staff

Members employed over 3,000 people at the end of FY2022. Growth in staffing has accelerated as CHPs increase their resourcing to meet growth expectations in current and coming years. Structuring for growth includes all levels of staff and management, ensuring organisations meet the additional corporate sophistication required to manage the increased stock and asset growth numbers discussed above. 90 per cent of staff employed by PowerHousing Members are employed full-time.

### 7.5 Specialist Disability Accommodation (SDA)

By the end of FY2022, PowerHousing Members owned and/or operated 1,911 SDA properties across Australia. PowerHousing Members represent a substantial component of the SDA stock in the country. There are a further 40 SDA properties in the development pipeline, with additional opportunities for expansion as the investment space for SDA matures.

## SDA Units





## Rising Star Profile:

### Kate Saunders

With a background in mathematics and political studies, Kate has a dedication to using data driven analysis and decision making to create a positive impact in the world. Previously working in consulting, Kate worked largely with government agencies, and through this developed her knowledge of policy and analytic skills. While she learnt a lot in these roles, Kate was keen to move from the consulting world into a role with greater social impact and one which aligned more closely with her values and has found this passion in the community housing sector. Housing is an area that Kate cares deeply about – she sees housing as a fundamental human right and believes that access to safe and affordable housing is essential for the wellbeing of both individuals and communities.

As a member of the HousingFirst team for almost a year, Kate has been able to dive deep into the world of community housing and learn all about the ins and outs of this important sector. In her role as a Policy & Projects Officer, Kate's primary responsibilities at HousingFirst include writing tenders for new business opportunities, conducting research projects, implementing social procurement practices, and leading the creation of the organisation's Reconciliation Action Plan.

Kate was honoured to receive the Rising Star award in 2022 and is excited to continue to learn and grow with HousingFirst and the sector.

**As the 2022 recipient of PowerHousing's Rising Star award, Kate will join other talented professionals recognised by PowerHousing as Chair of the Emerging Leaders and Rising Stars Working Group.**

## PowerHousing Academy – Rising Stars

PowerHousing Australia established the Emerging Leaders and Rising Stars Working Group to provide a forum for the staff of PowerHousing Members to offer structured career and professional development opportunities to support emerging leaders and talent in the sector. This group reflect the key goals of PowerHousing: peer-to-peer exchange, thought leadership and resource mobilisation.

The members of the Emerging Leaders and Rising Stars Working Group meet regularly for the following purposes:

- Peer-to-peer exchange, networking, information sharing and cross pollination of knowledge.
- Input into policy development and implementation.
- Development of structured opportunities for emerging leaders that support the greater goals of PowerHousing and member organisations.
- Provide a forum to contribute to strategic sector talent attraction and management strategies.
- Developing social and affordable housing as an acknowledged career path.
- Providing professional development opportunities that support career progression.
- International best practice, collaboration and information exchange – engagement with the International Housing Partnership and the emerging leader networks in the USA, UK, Canada and NZ.

## 2022 New Zealand Rising Star Immersion Trip

In early August 2022, a PowerHousing Australia delegation visited Wellington, New Zealand, for the Rising Stars immersion program. During the three days in Wellington, the delegation met with several community housing providers (CHPs), government agencies, the CHP peak body, councils, representatives for ministers, and the regulator.

### Stakeholder Meetings

- Advisor to the Minister of Housing
- Shadow Minister of Housing
- Ministry for Housing & Urban Development
- Community Housing Regulatory Authority
- Wellington City Council
- Wellington City Mayor
- Kāinga Ora
- Community Housing Aotearoa
- Accessible Properties
- Salvation Army Social Housing
- Dwell Housing Trust
- Te Āhuru Mōwai



The trip to New Zealand provided the PowerHousing Australia delegation with a deeper knowledge of the CHP sector in New Zealand and the issues it is facing. The findings of the trip, including an overview of the CHP sector in New Zealand and the challenges it faces, was provided to PowerHousing members. Insights were provided to New Zealand CHPs on how Australia's community housing sector developed and what can be replicated. Some of the suggestions included exploring an aggregated borrowing vehicle like the Affordable Housing Bond Aggregator provided through NHFIC, the value of a peak advocacy platform and importance of have a clear and consistent set of national regulations.



The visit offered the opportunity for the CHP sectors on both sides of the Tasman to share knowledge and ideas, and discuss potential solutions to long-standing, systematic issues. These issues will not be fixed overnight but these discussions allowed the delegation to see a path forward.

## Mergers and Brands

PowerHousing Members' brands are evolving and being positioned more visibly through their partnerships and growing social and community engagement. Our CHPs have changed and evolved to better reflect their functions and purpose. In recent years we have seen organisations such as Compass Housing Services and AnglicareSA Housing change to new branding, Home in Place and Believe Housing Australia respectively.

In April 2022, Compass Housing Services changed its trading name to Home in Place. Over the past 35 years, Home in Place has grown from a tiny firm with a handful of properties, to one of the biggest social housing providers in the country. In that time, their mission expanded beyond the core business of social housing to include a range of other things like property development, community development, facilities management, and disability housing. The new name is about reflecting that growth and creating a brand identity that captures the full range of what they do.

In March 2022, AnglicareSA announced it would invest more than \$100m into social and affordable housing over the next 10 years under its new housing brand – Believe Housing Australia. Formerly known as AnglicareSA Housing, Believe Housing Australia has been operating for more than 20 years with a strong track record in the provision of social and affordable housing throughout South Australia.



## Haleh Homaei

### HousingFirst Ltd

**Position:** Chief Executive Officer

**Head Office:** Melbourne, Victoria

**Appointment:** Commenced with HousingFirst in 2016

**Current Role:** Haleh is a current Board Director of PowerHousing Australia and the CEO of HousingFirst Limited, one of Victoria's fastest growing, not for profit, social and affordable housing providers, that provides social and affordable rental homes to low income and vulnerable people across Melbourne.

Since joining as CEO in 2016, Haleh has led a major growth and development strategy for HousingFirst that has elevated it to be one of the leading community housing providers in the State. This included oversight of an ambitious building, development, and upgrade program that has transformed the organisation's older housing stock, and significantly increased its portfolio of new housing.

**Previous Role:** Haleh has over three decades experience in government, executive management, governance and policy development. Prior to joining HousingFirst, Haleh held senior management positions with several of the leading community housing organisations in Victoria and Australia, as well as leadership positions within government. She is a Graduate of the Australian Institute of Company Directors (GAICD) and an experienced director.



Westside Housing (SA) CEO Julie Blake opening housing at Kilburn with Premier Peter Malinauskas, Minister Nat Cook MP and Steve Georganas MP

# 05

## Capacity Development

### Joint Ventures, Innovative Projects, and Government Collaborations

PowerHousing CHPs are recognised by developers and key industry leaders as having the capacity and maturity to deliver and manage large projects. They are also recognised by federal, state and territory governments as a key factor in the successful and sustainable delivery of affordable housing.

Together PowerHousing and our Members have influenced the development of legislation and elevated the viability of affordable housing as a stable emerging asset class for investment. Members continue to engage in creative processes to develop their capacity to provide housing through innovative projects and joint ventures, giving more Australians better futures.

#### National Housing Finance and Investment Corporation – Driving Housing Investment

Through a welcome bipartisan approach, the National Housing Finance and Investment Corporation (NHFIC) made its assent into law at the close of the 2017-18 financial year. The NHFIC legislation was aimed at improving housing outcomes by providing loans, grants and investments that support the development of new housing.

NHFIC now operates various programs of behalf of the Government. These programs include the Affordable Housing Bond Aggregator (AHBA), the First Home Loan Deposit Scheme (FHLDS), National Housing Infrastructure Facility (NHIF), along with NHFIC's important housing research.

NHFIC has supported more than 15,000 new and existing homes with \$2.9b in loans approved, saving an estimated \$490m for CHPs. More than half of PowerHousing's CHP membership had received funding through NHFIC.

*"Without this NHFIC facility, Foundation Housing would have been anchored in bank debt with no capacity to grow or leverage new initiatives, but the savings and equity made possible by this facility means we can invest in new social and affordable housing projects. We would highly recommend NHFIC to other community housing providers"*

**Chris Smith, Foundation Housing CEO (WA)**



QIC BHC Partnership (QLD)

### BHC Partners with the Queensland Investment Corporation

The Queensland Government recently announced that their Housing Investment Fund (HIF) will deliver a pipeline of up to 1,200 new social and affordable homes through a partnership between the Brisbane Housing Company (BHC) and the Queensland Investment Corporation (QIC).

The Australian Retirement Trust (ART), one of Australia’s largest superannuation funds, has partnered with QIC to finance this development of social and affordable housing. ART is making capital available alongside the Queensland Government to enable delivery of seven projects in the initial stage by the QIC-BHC Social Housing Consortium, representing nearly 600 dwellings.

The first two projects to commence will be located in Sutton St, Redcliffe and Ethel Street, Chermside, with residents able to move in during 2024. The remaining South-East Queensland sites will be announced once they are secured.

*“We are incredibly proud to be delivering this first stage of seven projects under the Queensland Government’s Housing Investment Fund, which will provide almost 600 new social and affordable homes. We look forward to working collaboratively with the State and QIC to progress this important part of the solution for Queenslanders in housing need.”*

#### Rebecca Oelkers, BHC CEO (QLD)



Emerald St. Housing Plus (NSW)

### CEFC Investment into Housing Plus (NSW) — Increasing supply of affordable regional housing

Regional affordable housing is getting a green boost, through the supply of 280 new energy efficient housing dwellings developed, drawing from a Clean Energy Finance Corporation (CEFC) investment of up to \$113 million.

New South Wales-based PowerHousing CHP member Housing Plus is seeking to reduce living costs for residents and improve environmental outcomes by building the homes to a minimum 7-star Nationwide House Energy Rating System (NatHERS) standard. This represents an average 40 per cent saving on heating and cooling energy demand compared with dwellings built to a minimum compliant level in NSW.

To date, Housing Plus has delivered 260 dwellings. When completed, its program, which uses regional developers, will have built 65 new homes in Bathurst, 123 in Dubbo, 56 in Orange, 12 in Lithgow, 10 in both Mudgee and Parkes and four in Cowra.

As part of the CEFC finance facility, Housing Plus has also upgraded some of its existing properties with rooftop solar and energy efficient technologies, which are helping provide more comfortable houses that require significantly less energy for day-to-day living.

*“Delivery of these much-needed affordable houses across the region has been our priority over the past 2 years and importantly our new customers are delighted with their new homes. The need for more affordable housing in regional towns and cities is growing and we look forward to working with Government and our financiers to meet this need.”*

#### David Fisher, Housing Plus CEO (Regional NSW)

CEFC finance is demonstrating how affordable and social housing tenants can benefit from energy efficient housing and renewable energy technologies, while spearheading the construction of cleaner, greener residential properties. This work includes supporting the development of 500 homes through \$170 million in debt finance to SGCH (NSW CHP). The CEFC has also invested up to \$30 million in an innovative Housing SA program which is installing solar and battery storage systems across more than 3,000 residential buildings to deliver Australia’s largest virtual power plant.

### The Big Housing Build – Social Housing Expansion in Victoria

In November 2020, the Victorian Government announced an ambitious expansion of Victoria’s social housing. Dubbed the Big Housing Build, the \$5.3 billion program aimed to construct 12,000 new homes throughout metropolitan and regional Victoria over four years. 9,300 of the new homes will be allocated to social housing, increasing Victoria’s social housing supply by 10% and replacing 1,100 old public housing units.

Homes Victoria have partnered with several PowerHousing CHPs – Haven; Home, Safe, Housing Choices Australia, HousingFirst, Unison Housing, Women’s Housing Ltd. – to deliver and manage the new housing stock that the Big Housing Build will create.

Housing Choices Australia has secured funding to help build 425 new homes for people across Melbourne and the surrounding suburbs. Housing Choices will contribute 30% of the total funding required to build its seven new Big Housing Build property developments over the coming two years.

Housing Choices Australia is collaborating with a range of trusted partners including builders, architects, planners, philanthropic organisations and service providers as part of the Big Housing Build program. Each development will be built to the highest construction and sustainability standards and deliver significant cost savings for residents through energy efficiencies.

The Big Housing Build paved the way for similar investment announcements from other states such as Tasmania, Queensland, Western Australia and New South Wales. Learnings from the Big Housing Build will also inform the Federal Government’s plans for social and affordable housing expansion.

### Griffin Green – Argyle Housing (NSW)

The Griffin Green Affordable Housing Project will create 20 new medium density affordable rental housing units and 42 new housing lots in South Griffith.

The site is close to the Griffith city centre, and the development will include a full basketball court, playground, park and new community centre. Cul de sac roadways are being connected to improve access through the neighbourhood.

Ten percent of the affordable rental dwellings will be prioritised for First Nation key workers. The 42 housing lots will be a mix of affordable homes to purchase, through shared equity schemes and other options to provide housing for key workers.



### How the project began

The working relationship between Argyle Housing and Griffith City Council began with the development of Council’s Local Housing Strategy.

Griffith City Council had become increasingly aware of the housing shortage in the region, particularly for key workers, with seasonal fruit workers, health workers and others finding it hard to secure and afford suitable housing. The Council was motivated to address the need for affordable housing through its housing strategy, and engaged closely with Argyle Housing to identify opportunities for innovative projects.

The Council knew of Argyle Housing as the local Community Housing Provider, and through their advocacy to Council on housing affordability issues in the area.

The Council identified an underutilised portion of land, Dave Taylor Park, owned by the State Government. The Council purchased the land and, with Argyle Housing’s support, placed a bid for funding from the Commonwealth Government Building Better Regions Fund.

### Roles and contributions

The project has been made possible through four funding sources:

- The Commonwealth Government provided \$6 million through the Building Better Regions Fund.
- Griffith City Council provided \$3.1 million which included the cost of purchasing the land, which has been gifted to Argyle Housing.
- Argyle Housing provided \$3.1 million.
- Argyle Housing is building a community centre.

Griffith City Council is the consent authority. Project construction, including expenses and variations, is being managed through a project control group led by Griffith City Council and Argyle Housing, along with the architect, builder and civil contractor.

## Community Villages Program — North Coast Community Housing (NSW)

North Coast Community Housing (NCCH) has partnered with NSW Government disaster and recovery agency, NSW Reconstruction Authority to deliver the first temporary housing villages that are providing homes to people in the Northern Rivers NSW community who were displaced in the February and March 2022 floods.

More than 3000 homes were impacted in the Northern Rivers region by the 2022 flood events, leaving thousands in the community in emergency accommodation or relying on friends and family as a source of housing while their own homes are uninhabitable.

In response to the pressing need for housing, the NSW Government identified several crown land sites in the region which are being transformed into temporary housing villages comprised of modular homes and caravans. As the leading Community Housing Provider in the region, NCCH has been appointed to manage the first 2 established Community Village sites.

Through collaboration with NSW Reconstruction Authority, NCCH has developed an unprecedented, innovative and person-centred Community Villages Program that aims to provide a safe and secure housing environment that supports and empowers flood survivors through their recovery journey.

The NCCH Community Villages Program includes a corporate structure comprised of leadership functions that cover, program management, casework and support work, engagement initiatives and financial provisions that oversee the program across all village sites.

Each NCCH Community Village has a structure with a team that provide services 7-days a week that include: village management, allocations, tenancy services, casework and support services, engagement activities, maintenance, cleaning and security to ensure village residents have a safe and healthy living environment while they rebuild their lives. The adaptability of this structure has ensured consistency of service delivery across the current villages managed by NCCH and is key to not only the success of establishing future community village sites but also has potential to be utilised and applied across the community sector in other disaster recovery settings.

The Community Villages Program is already achieving desired and positive social, wellbeing and health outcomes set out by NSW Reconstruction Authority and NCCH including:

- Residents socialising and creating connections with each other.
- Residents returning to work or gaining new employment.
- Residents accessing training and education opportunities.
- Residents participating and leading village activities and events.
- Residents accessing GP, psychology and homecare services.
- Residents who have been able to exit the village positively and secure permanent housing.

The leadership and collaboration demonstrated in this program benefits individuals, the community and highlights the value of government working together with Community Housing Providers.





CEO Centacare Evolve (TAS) Ben Wilson with Prime Minister Anthony Albanese MP and Housing Minister Julie Collins MP

# 06

## Sector Capacity Solutions

### Redevelopment and Social Housing Growth

The expansion of social and affordable housing will require work from all avenues of housing development, including greenfield development and redevelopment of existing sites. Our sophisticated providers of social and affordable housing have been able to take on management and title of public housing stock and tenancies. The innovative, community-based approach from CHPs allows for the delivery of tenant and community outcomes with the opportunity to expand housing supply through development and redevelopment.

#### Revitalising Bridgewater — Centacare Evolve Housing (TAS)

Bridgewater, Gagebrook and Herdsmans Cove is an area located approximately 15 km north of Hobart on the Derwent River. The community was built during the 1970s with a focus on affordable public housing; up to 80% of housing stock in Bridgewater was public housing in some locations.

Originally built to forward thinking Radburn design principles, over time the shortcomings — low density sprawl, lack of services/facilities, distance from amenities — started to reveal themselves. Coupled with the age of the housing stock in Bridgewater, this made the locality an good candidate site for renewal.

Much of Bridgewater’s public housing stock has been transferred to PowerHousing Member Centacare Evolve Housing under the Better Housing Futures Program. Centacare is now able to redevelop sites to improve the area, increase the diversity of housing, add alternative forms of tenure whilst maintaining levels of housing affordability.

Holmes Dyer prepared a master plan to re-invigorate Bridgewater, addressing many of the existing issues. The Master Plan won the Award for Excellence at the Planning Institute Australia’s 2017 Awards for Planning Excellence.

The Master Plan addressed a range of issues, including:

- Additional housing stock through developing underutilised land and redevelopment of inappropriate housing, which is high-cost, low-energy rated inefficient homes.
- Attraction of private housing tenure through the delivery of affordable housing.
- The introduction of differing housing densities to fit changing household sizes and demographics.

Centacare Evolve continues to revitalise Bridgewater and other Tasmanian communities, and they were fortunate enough to host the Prime Minister Albanese and Housing Minister Collins in June 2022 for a site visit.

### Housing Choices' Mixed-tenure Collaborations

With a growing number of Australians priced out of the private rental market, Housing Choices Australia is committed to developing new stable and long-term models of affordable housing. This includes partnering with community-minded developers Assemble and Nightingale Housing to provide Australians with alternative pathways to stable, affordable homes, such as a mixed-tenure model.

Through mixed-tenure model partnerships, homes are allocated to a combination of social, affordable and market tenancies, and include women experiencing domestic violence, young people living with disabilities and key workers on low or fixed incomes who provide essential community services.

In a mixed tenure model the developer arranges the project finance and manages construction, and Housing Choices manages and allocates tenants



Nightingale Village, Housing Choices Aus. (VIC)

within the low-income housing component of each community to make up at least 20% of the dwellings delivered. Many of their collaborative and growing pipeline of projects are delivered under long-term lease arrangements across development sites that are located close to work and education opportunities, public transport, green spaces and amenities – including Adelaide and inner Melbourne. Importantly for tenants, the developments feature outstanding environmentally sustainable designs, low running costs and a community atmosphere to promote social and economic inclusion.



Bridgewater, Hobart, Centacare Evolve Housing (TAS)

Among Housing Choices recently completed mixed-tenure projects with Nightingale Housing are 21 new social, affordable and specialist disability apartments in Brunswick, Victoria, known as Nightingale Village. The homes are within a precinct of six neighbouring buildings, each designed by a different award-winning architect.

The Village is one of four social and affordable developments being brought to life across Victoria and South Australia through the partnership between Housing Choices and Nightingale, with a further six developments between Housing Choices and Assemble.



Henley Beach South, Unity Housing (SA)

### Henley Beach South Redevelopment Project – Unity Housing (SA)

Unity Housing, is developing vacant land in Henley Beach South, formerly owned by the South Australian Housing Trust, to create new social and affordable housing for low-income households, as well as market housing.

The mixed residential development replaces old and outdated public housing flats, that were demolished in 2018.

Under the agreement, Unity Housing will finance and develop the site, including building social housing apartments.

The \$30 million redevelopment will include:

- 20 townhouses for market sale.
- 27 townhouses and apartments to be retained by Unity Housing for social and affordable rental.
- 23 apartments for social housing rental, targeted towards senior housing tenants, that will be retained by the South Australian Housing Authority and managed by Unity Housing.

Unity Housing is committed to the UN Sustainable Development Goals. This will be demonstrated on the Henley Beach South Project in a number of ways including the installation of Photo Voltaic solar panels on all properties.

### City Collective and Unity Housing (SA)

City Collective have been able to support Unity Housing through a whole raft of projects at multiple scales within urban and regional locations, from feasibility yield studies that increase affordable housing outcomes to master planned communities for maximised housing diversity. Their partnership is strengthened by a shared vision for improving the quality and volume of affordable housing for South Australians.

City Collective has provided Unity its full breadth of integrated design services, urban design, architecture, town planning, landscape architecture and interiors for one of Unity’s largest residential developments, South at Henley Beach.

This development of this 1ha site will be delivered over three stages and consists of a total of 70 housing outcomes, in a combination of market and affordable townhouses and a three-level apartment building designed to Gold Standard SDA guidelines. The new community will be centred around a high-quality green public open space that prioritises walkability and connectivity to the surrounding amenity.

### Delivering Key Worker Housing and Mixed-tenure Housing – Housing Trust (NSW)

As the COVID-19 pandemic highlighted, key workers are crucial to keeping our cities functioning. Recent Australian Housing and Urban Research Institute (AHURI) reporting finds that key workers struggle to find affordable housing in major cities. Approximately 31,000 key workers in Sydney and 18,000 Melbourne live in overcrowded homes. 20% of key workers in Sydney and 17% of key workers in Melbourne experience housing stress.

Part of addressing the growing need to accommodate our key workers will be the development of affordable, mixed-tenure and well-located housing within existing communities. CHPs are playing an increasing role in addressing this growing problem.

In the NSW Illawarra Shoalhaven area, Housing Trust and partners have recently broken ground at their innovative mixed tenure development “Northsea” in an iconic Wollongong location.

The \$22 million complex is one of the first single core mixed developments comprising of social, affordable and market sales in the State. Housing Trust has purchased six of the units which will provide affordable key worker housing and will manage the 10 social housing units on behalf of the NSW Land and Housing Corporation (LaHC). Eight of the social units will incorporate dual key access allowing flexibility for residents. The remaining 38 premium units include a mix of two and three-bedroom private apartments.

Located in the centre of Wollongong CBD the complex is within short walking distance of local services, facilities, shops, cafes, restaurants, parks and Wollongong Beach.





Northsea Sod Turning, Housing Trust (NSW)

*"This mixed-tenure approach follows international best practice and innovation in housing, and this is an exemplar project we are proud to be part of. This is a genuine attempt at having a mixed demographic where a real sense of community can be built between those tenants and private purchasers of apartments."*

### Housing Trust CEO, Michele Adair

### New Epping – Haven; Home, Safe (VIC)

Haven; Home, Safe have partnered with Homes Victoria, Riverlee and Hacer Group on this \$60 million project that will provide 151 new social and affordable homes for eligible people on the Victorian Housing Register (VHR). The architect designed, environmentally friendly 1- and 2-bedroom apartments are well-connected to transport and green spaces in Melbourne's northeast in Epping.

With an emphasis on community-building and connection, Haven; Home, Safe have also partnered with Village Well to develop a replicable and sustainable place-making framework that will create a truly connected community in the heart of Epping – bringing together people and place and supporting the development of a purpose-built economy. This investment into developing place-based approaches is key in ensuring that design starts with community, and is a replicable approach that Haven; Home, Safe is excited to introduce to Geelong and beyond.



New Epping, Haven; Home, Safe (VIC)

### Junction (SA) – Oaklands Park Redevelopment

Junction is partnering with Housing Renewal Australia Oaklands Park – a private and for purpose consortia established to deliver South Australia's largest urban renewal project in two decades. The \$135m Oaklands Green project will transform the existing social housing site into a lively neighbourhood through high quality design, improved open spaces, greater housing diversity and upgraded roads and laneways.

As part of the master-planned project, more than 650 new houses will be built including the one for one replacement of 255 social housing properties. There will be no reduction of social housing in the area, and old, unsuitable assets will be replaced with fit-for-purpose, energy-efficient, robust dwellings which allow people to age in place. As part of the development agreement, the State Government has also transferred the property and tenancy management of identified public housing to Junction with the first stage of the project now underway.



Oaklands Park, Junction (SA)

Currently, public housing in the area is situated on huge blocks of land on the 20 hectare site. Much of the housing was built in 1955. The redevelopment provides better housing choices for South Australians, from those looking for their first home, to those downsizing, to those ageing in place with a seamless integration of housing for market sale, affordable and social housing. Social housing will form 35 to 40 per cent of the completed, master-planned development.

It is the first time that private family equity funds have partnered with a community housing provider to deliver such social housing in South Australia. The project is expected to be completed within eight years with a flow on economic benefit of more than \$400 million including the creation of more than 1200 jobs.

Junction is a social enterprise applying commercial strategies for social benefit. In addition to its growing housing development portfolio, Junction provides a range of community services and housing programs including the management of more than 2,500 tenancies. With a strong focus on place making, Junction works to empower people to create safe, connected and resilient neighbourhoods where people can live their best life.



Mums, babies and staff from partners celebrate Cornelia Program's 1st birthday, Launch Housing and HousingFirst

# 07

## Case Studies

### Achieving Tenant and Community Outcomes

CHPs view their mission as more than simply providing a safe, secure and affordable place to live. Our Members work hard to positively impact the lives of tenants and the broader community. Just some of the ways this is achieved is through running community initiatives, engaging in community outreach and educating the public on pressing social and economic issues. CHPs also offer important wrap-around services and dedicated housing – disability housing, domestic and family violence shelters – for those in need.

#### **HousingFirst (VIC) and Launch Housing (VIC) – Cornelia Program**

HousingFirst and Launch Housing have teamed up with the Royal Women's Hospital to provide pregnant women who are experiencing insecure housing a supportive pathway to safe accommodation, social services and compassionate health care. The Australian-first initiative – called the Cornelia Program – is supported by the Victorian Government and private donors.

The Cornelia Program aims to break the cycle of insecure housing for vulnerable women and their babies and is the first such collaboration in Australia between a hospital, a housing provider and a homelessness service that focuses on this cohort of at-risk women. The program provides women with accommodation for up to 12 months in a new HousingFirst apartment complex located in Melbourne's

inner south, comprising 36 studio apartments, as well as tailored wrap-around health care and social support provided by Royal Women's Hospital and Launch Housing. The new mothers are also provided with guidance and support to access long-term and stable housing.

42 babies have been born since the program began in August 2021. That's 42 former homeless or vulnerable pregnant women and now new mums with their babies who have been provided safe accommodation, social services and compassionate health care.

Just in time to celebrate the one-year anniversary of the program's commencement, the Cornelia Program won The Urban Developer 2022 Excellence in Leadership award (see image).

The Cornelia Program will operate for a minimum of five years and will be formally evaluated to provide evidence of its overall impact.



Urban Developer Awards 2022

### Building for Community Impact: Older Women and Homelessness

Providing affordable, appropriate housing for older women at risk of homelessness is a pressing need in communities across Australia.

Research released in 2020 by Social Ventures Australia and Housing for the Aged Action Group (HAAG) found there were 240,000 women over 55 at risk of homelessness across the country.

There are a range of factors making older women particularly vulnerable to homelessness, including limited savings, superannuation and assets – often due to reduced employment during child-raising years.

Without an adequate financial buffer, a relationship breakdown or job loss can quickly escalate to homelessness, with many older women living in cars or couch surfing due to an inability to secure affordable housing.

While community housing providers cannot address this housing shortfall alone, they play an essential role in being part of the solution.

#### UnitingSA (SA) Ferryden Park

In South Australia, UnitingSA Housing is working to address the needs of older women, having seen firsthand the economic uncertainty being experienced by this cohort.

In late 2021, UnitingSA Housing opened the Ferryden Park Community Housing development in Adelaide’s north-west, specifically targeting older women experiencing or at risk of homelessness.

The \$2.6m development includes eight two-bedroom houses with open plan living, landscaped gardens and energy efficient features to reduce utility costs for tenants.

A communal undercover outdoor area and shared gardens are located centrally to encourage connection and foster a sense of community among residents.



### Tenant Story:

#### Believe Housing Australia (SA) – Susan’s journey to home ownership

The journey to home ownership can be difficult for anyone wishing to break into the housing market.

For Susan, being a single mother of 13 children – with nine still living at home – came with its own unique set of challenges.

However, Susan successfully became a first-time homeowner, after purchasing the community housing property her family had lived in for the previous 12 years.

Susan said: “It feels great to own a home – I feel more whole.”

Originally hailing from Congo, Susan arrived in Australia on a humanitarian visa as a refugee.

Upon her arrival, she was supported through AnglicareSA’s humanitarian settlement program with short-term accommodation, before being provided with a long-term housing trust home in Adelaide’s northern suburbs.

Following a community housing transfer of properties in Adelaide’s north in 2015, Susan became a Believe Housing Australia tenant.

Susan participated in a Believe Housing home ownership seminar series and with support and guidance, was eventually able to buy her own home.





Ferryden Park, UnitingSA (SA)

As part of their tenancy, all women are provided access to a range of wrap-around services, such as home care, mental health support and financial counselling, to support their health and wellbeing.

The women have reported feeling a sense of safety and community since moving to the site – in stark contrast to the insecurity of their lives prior to becoming community housing tenants.

The project was delivered in partnership with the SA Housing Authority (SAHA), which provided a \$1 million grant, and members of the former local Gospel Mission, who gifted the land.

At the Urban Development Institute of Australia (UDIA) SA Awards for Excellence in July 2022, the Ferryden Park Community Housing development received dual honours.

The project – designed by City Collective and constructed by Cook Building – won the Small

Scale Development Award and the Aged Care and Community Housing Award, acknowledging the quality of the development and the importance of its community impact.

It is a prime example of what can be achieved when community housing providers innovate, and the effectiveness of partnering with Government to create solutions to address areas of critical community need.

### Pacific Link Housing (Regional NSW) – Adira Apartments

Pacific Link Housing’s Adira Apartments provide opportunities for older women, across the housing continuum, to access safe and secure accommodation. Completed in December 2021, the 12-unit mixed-tenancy complex includes a combination of social, affordable and market-rate rentals. It was designed specifically for older women, who represent the fastest growing demographic of people experiencing homelessness in the area.

Pacific Link Housing successfully allocated \$1.4 million in low-cost finance through the National Housing and Finance Investment Corporation for the project. In addition, a contribution of \$1.6 million through the NSW Government’s Community Housing Innovation Fund was received, which cemented the allocation of six units to women eligible for social housing.

The remaining six units are a mix of genuine affordable housing and market-rate rentals, which were fully leased within one week. Pacific Link Housing’s social enterprise real estate agency, Key2 Realty had a huge response when leasing these rentals with 75 applications received for the one-bedroom units, highlighting the market success and demand for this type of housing.

The building name “Adira” is adopted from Hebrew, meaning strong and powerful. It is a message to vulnerable residents that Pacific Link Housing is here to support them on their journey to build capacity and create improved opportunities for their future.



Adira Apartments, Pacific Link (NSW)

## Arncliffe Community Hub – Evolve Housing (NSW)

Evolve Housing's Arncliffe Community Hub is an award-winning, innovative community engagement project designed to support a newly established social housing community.

A joint project between the NSW Government and Evolve Housing, the Hub was home to more than 140 high-needs social housing residents for a period of approximately two years.

The project was launched in 2020, and involved renovating an old public housing estate that was set to be demolished, to provide accommodation at short notice during the pandemic. Evolve Housing's maintenance partners were able to complete the renovations within just six weeks, to help tenants get safe and off the streets more quickly.

Through the use of a place-based approach, Evolve Housing was able to build up residents' capacity so that they could improve their health, achieve their life goals, and access training, education and employment.

Partly funded with the help of a two-year grant from the Vincent Fairfax Family Foundation, the Hub had two staff members working on-site to provide intensive support to residents. The Hub also hosted events and offered resources tailored to the residents' needs, including health drop-in sessions, workshops, social activities, a homework and internet hub, a community garden and a street library.

Evolve Housing won the award for Leading Community Engagement Practice at the 2021 Australasian Housing Institute Awards at both state and national level for this project. It is an excellent example of how joint funding and collaboration between community housing providers, government and other not-for-profits can result in an excellent outcome for vulnerable Australians.



Arncliffe Community Hub, Evolve Housing (NSW)



## Tenant Story:

### Hume Community Housing (NSW) – An angel at the tables

Jessica Gaddes is a woman who has seen much in her young life. A youth lost to spiralling drug addiction took her from a life as a successful real estate agent to living homeless on the streets of Liverpool in Sydney's Southwest.

At 34 she possesses a worldliness and compassion that belies her age.

*"I was young, arrogant, and thought I knew it all, but I didn't know myself. In fact, I probably hated myself quite a lot and that helped me take a massive wrong turn. Luckily, like a good surfer, I managed to come out the back of that scary wave and now I can be of help," she said.*

Today, Jessica's life is on a new path – helping others who struggle with the issues she once did. Her turning point was securing a stable home when she was introduced to Hume Community Housing and learnt about their affordable housing and support programs.

Jessica has been a Hume customer four years and since that day found "a safe place" that began her journey to recovery.

*"It's not only about having a home, but also about having solid support around you to keep going and focused on the future. Hume's people on the ground continue to be amazing and I also have wonderful neighbours," she said.*

*"Some support services think you are too far gone and beyond help whereas Hume could see I deserved a future.*

*"Having a safe place to go to is the most important thing in life and that's something you never have when you sleep rough and living with addiction. It's a wicked cycle and for me having a home helped break that pattern," Jessica said.*



## Lawn & Grounds Team — Southern Cross Housing (NSW)

In 2019 following the Social Housing Management Transfers, Southern Cross Housing immediately recognised a need to assist tenants with external property care, predominantly yard maintenance and rubbish. A team was set up to provide a one-off service to not only assist tenants, but to change the look and stigma that came with social housing, in particular those who had been neglected. Three years later the service is still free and has expanded due to its overwhelming benefits. One team grew to three, with a clean-up van, utes, tip truck, trailers, ride on mowers, pressure blasters, and 10 employees.

The change in presentation of the dwellings and precincts has been amazing and the ‘new start’ it has given tenants has made their homes proud once again. It’s unbelievable how contagious this becomes and positivity spreads. This service has also saved Southern Cross Housing huge costs by reducing the continuous need to address poor property care and spend thousands of dollars in end of tenancy clean-ups. The Site Crews have become our Housing Officer’s best friends. Rather than pursuing poor yard care via the RTA process, Housing Officers refer tenants to our lawns & rubbish service.

The idea was to help tenants who were unable to dispose of goods themselves due to not having a means of transport or being able bodied enough to do the work. Over the years, this team has earned a lot of positive feedback from tenants and neighbours, for the quality of work provided and friendly nature of their approach. The clean-up crew also assists with any rubbish or furniture removal on vacant properties in the Shoalhaven area. Utilising this crew minimises costs for both the tenant (if it is deemed a tenant charge) and Southern Cross, as minimal contractors are engaged to complete the work.

The added benefit of having internal site crews is that they also maintain Southern Cross’s complexes which would normally be outsourced. This way Southern Cross has control over scheduling and quality of work. As well as being cost effective, we provide the opportunity for career development such as horticulture traineeships.



## Tenant Story:

### City West Housing (NSW)

Maddison is a proud Barkindji woman and artist who went from couch surfing to building a successful business whilst living at City West Housing.

She produces digital animation, drawing, ceramics, printmaking, murals and painting, including the ‘Heal Country’ public space mural we commissioned her to create at City West Housing’s Blackwattle Apartments.

*“The community at City West Housing is so diverse, I wanted to celebrate that with the mural, to bring joy and life to the building.”*

Maddison was facing leaving student accommodation, after she completed a Bachelor of Design in Animation, at the University of Technology, with nowhere to live.

*“Living at City West Housing made a huge difference to me. It helped me to focus on finishing my studies and allowed me to set up my own business in the inner city.”*

The Site Crews are driven efficiently by a central coordination team. Their jobs are scheduled and timed to ensure they work at optimum capacity during their 4-day work week. All Southern Cross Housing fulltime employees have the choice to work their fulltime hours in 4-days and the Site Crews are no exception. Southern Cross are extremely proud of the work of their Lawn & Ground Team.

## Unison Housing (VIC) Research Lab

The Unison Housing Research Lab (UHRL), established in 2017, is a unique education and research collaboration between RMIT University and Unison Housing, Victoria's largest social housing provider to undertake an innovative research and education program informed by the experiences of housing and homelessness service users and providers.

The Lab's multi-disciplinary research program focuses on creating new empirical and conceptual knowledge about:

- What actions can be taken to develop social housing that creates vibrant communities, improves tenancy sustainability and satisfaction, and maximises their impact on tenants' social, economic, and health outcomes;
- The effectiveness of homelessness program interventions; and
- Approaches that help translate research into policy and practice.

UHRL research involves an in-depth analysis of administrative data collected by Unison and specific projects developed to address identified needs to drive decision-making and program development.

UHRL delivers an integrated teaching that program that provides RMIT students with Australia's first dedicated course on homelessness and housing, offering a cutting-edge and multi-disciplinary approach to education that integrates homelessness theory, policy, and practice. The course provides students of social work, youth work and psychology in RMIT's Social Work and Human Services Cluster, and students in the RMIT School of Global, Urban and Social Studies, with the knowledge and resources to support careers in the homelessness and housing sector.

As housing instability and homelessness affect many areas of a person's life – employment, personal and family relationships, health and income for example – those in the social work field greatly benefits from an understanding of both an academic, industry and personal experience perspective. The course aims to fill a gap in social work education by offering students the opportunity to experience a broad range of perspectives in the housing and homelessness area including consumers, advocates, managers, workers and researchers.



## Tenant Story:

### Unity Housing (SA) – A new chapter for Syvanna

After returning to Adelaide from Queensland where she had worked for a few years, Syvanna experienced significant challenges trying to find appropriate housing in the private rental market.

*"I couldn't find any housing whatsoever," she says. "Especially coming back from somewhere else made it harder. I went through HYP A Housing and they linked me in with Unity Housing. Before I got my place with Unity, I was in a hotel for a few months. There was no kitchen so I bought a rice cooker and an electric frying pan and worked my way around. From there I had a short-term property that was alright but I needed a bigger space and applied for a transfer for anywhere and was lucky enough to get this place."*

Syvanna's new home is one of Unity Housing's recently completed spacious townhouses in Adelaide's north east with two bedrooms and two bathrooms.

*"I was very overwhelmed and happy and excited about it," Syvanna says. "I wasn't expecting this. I went from something small to something really big. The neighbours are friendly and I've got a lot more space. I like how it's very family orientated around here and a very nice area."*

The uncertain chapter of Syvanna's housing journey is now over and she is able to focus on her and her daughter Eleni's future in a home where they can feel safe and secure.

*"I thought I was going to be on the wait list for a while and going through private rentals which wouldn't be the best option for us," Syvanna says. "This has been a big eye opener. I'm happier and settled and can actually move on with my life. It's a good environment to raise Eleni in and there are schools close by, and the childcare and shops are just up the road so it's very convenient. I'm excited to make this home and it's a nice safe environment for Eleni to grow up in. This is a really big privilege."*



Mike Mantle (Morgan Stanley)  
PowerHousing Conference 2022

# 08 Capacity Statement

## Infrastructure Investment, Specialist Disability Housing and ESG

Harnessing investment will be a critical component to delivering the additional social, affordable and disability housing supply that Australia needs. The principles of sustainability and social impact are at the core of work CHPs undertake. PowerHousing and our Members have been exploring the Environmental, Social and Governance (ESG) space for many years. We have found receptive investor audiences and partnerships between the investment community and CHPs are now bearing fruit.

### Summer Foundation and Housing Hub

The Specialist Disability Accommodation (SDA) market could leverage \$5-12 billion of private capital to build housing for approximately 30,000 eligible participants of the NDIS. SDA investments combine clear benefits for people with a disability. The chance for the government to encourage the investment of private capital, and an acceptable balance between risk and return for investors. This unique market demonstrates how finance and government can work together for positive social outcomes. Big investors, such as Goldman Sachs, Macquarie, and Australian Unity see these benefits and are financing SDA.

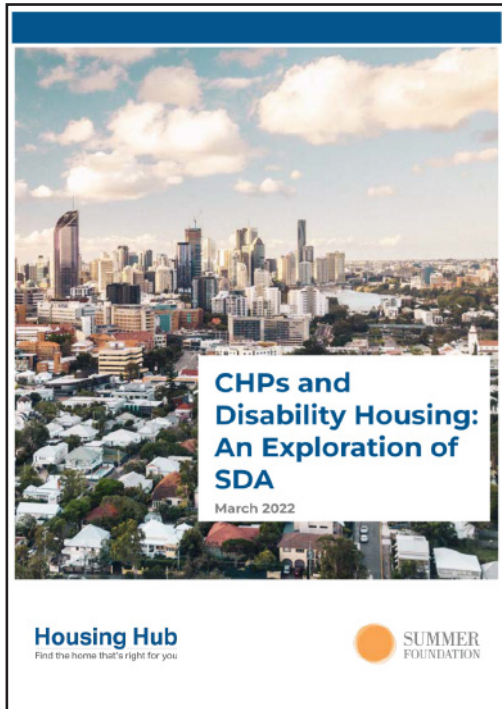
Disability housing listings site the Housing Hub (a social enterprise of the Summer Foundation) as deeply connected with stakeholders in the SDA market. These include people with a disability, the NDIA, housing

providers, and investors. One of the Housing Hub's activities includes understanding market challenges. It runs an extensive SDA research program, collecting rich qualitative and quantitative data. These include the perspectives of housing providers, the needs of tenants, the role of CHPs, and documenting the supply pipeline of SDA.

In mid-2021, Summer Foundation ran the SDA Investor Think Tank with SDA investors to capture their views and present a collective voice to the Federal Government. It is also working with investors and providers ahead of the review of the SDA Pricing Arrangements. These govern the amount that providers can charge the government for the tenants living in their SDA.

The outcomes of this review will either contribute to or hinder the ongoing maturation of the SDA market. Based on this, the Housing Hub is working with





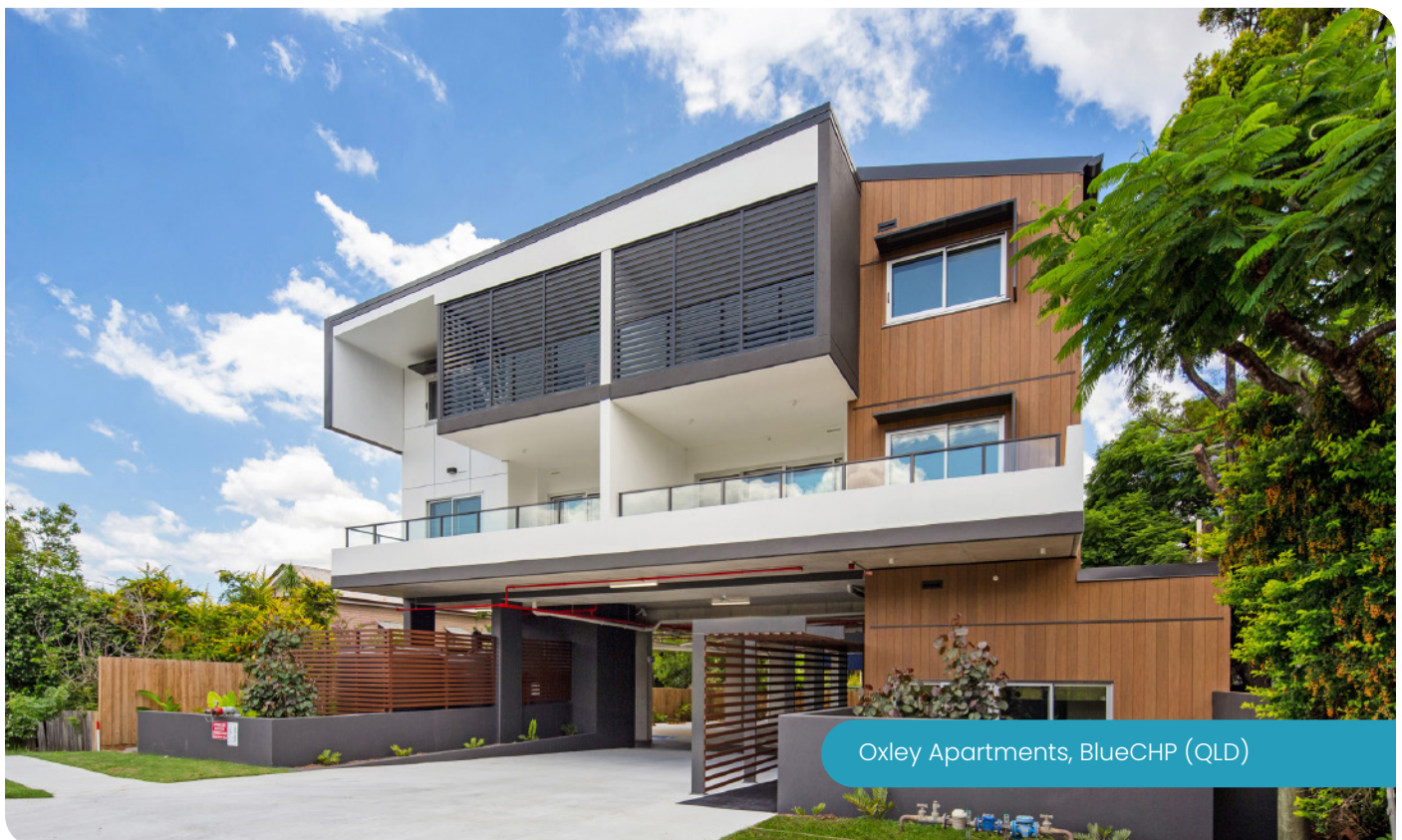
## Inspire Impact – SDA Investment

Inspire Impact (“Inspire”) has been a part of the significant growth of the SDA market over the last 5 years. To date, Inspire has invested over \$120M into the sector with another ~\$100M to be invested over the coming year. Inspire remains confident that scale and speed of growth will continue for at least another 3 years, albeit with varying evolutions and market challenges along the way. Inspire’s experience to date in developing a large portfolio of high-quality purpose-built homes hasn’t come without significant effort. The Inspire team work hard in aligning consumer demands/ trends with the evolving direction of Government policy, as the portfolio scales. Along with many other leading market players, the team is confident that the government will play an active role in shaping policy that enables a strong and viable SDA market.

A key part in the growth of the both the Inspire fund and other capital partners has been the successful partnerships the market has with CHPs. CHPs have enabled Inspire to scale its reach, deploy funds at a sustainable pace and have a measurable impact. A key attraction to working with CHPs has been their rich market understanding and deep expertise in operating housing for people with disabilities, which Inspire anticipates will only strengthen over the coming years.

investors and providers to collect on-the-ground information from the market to present to government decision-makers. All stakeholders want to see a flourishing SDA market, but sustained effort and collaboration from all market players is required for this vision to be realised.

In 2022, Housing Hub and PowerHousing collaborated on the report, *CHPs and Disability Housing: An Exploration of SDA* (see image) to understand the involvement of Community Housing Providers in the SDA Market.



Oxley Apartments, BlueCHP (QLD)

## International and SDA Investment Assurance — Global-Mark

Affordable housing is increasingly heading towards being considered a global asset class with institutional investors looking for long-term, low-risk investment-grade opportunities. With Australian CHPs increasingly coming into focus for international and institutional investors there are further measures being required of the risk class of these organisations and this can come from a range of indicators from reporting and accreditation undertaken by Global-Mark, a non-government certification provider.

Some members undertake accreditation to standards around provision of community housing. The National Community Housing Standards provide a nationally consistent framework to accredit community housing and provide service users with an assurance of quality. The standards can be used by all types and sizes of organisations to achieve continuous quality improvement and improve service delivery. Global-Mark offers accreditation of community housing providers against the National Community Housing Standards. Community housing providers can apply to Global-Mark for certification as an Accredited Housing Provider on a fee-for-service basis.

Global-Mark also provide SDA NDIS certification audits to CHP members to support best practice provision of disability housing and increase the quality of life through the housing offered, with aggregated pricing on SDA certification and CHP accreditation being considered for members.

## Conscious Investment Management — Creating social and affordable housing in Victoria

Conscious Investment Management (“CIM”) is an Australian impact investment fund manager focused on investing in social and affordable housing, Specialist Disability Accommodation and renewable power.

CIM partners with a range of organisations seeking finance to build or acquire social and affordable housing stock, including not-for-profit CHPs, property developers and for-profits delivering new housing models.

In July 2021, CIM began funding the acquisition of social and affordable housing under a unique partnership with Homes Victoria and CHP HousingFirst under the Victorian Government’s New Rental Development Program (NRDP). Under the partnership, CIM is investing \$150 million to fund the acquisition of up to 307 social and affordable housing dwellings.

Apartments are brand new and dispersed within large apartment buildings, with no more than 20% of each building designated as social and affordable housing. The properties are head leased to HousingFirst for 10 years, who subleases them to tenants and provides asset and tenancy management services.



Conscious Investment Management and HousingFirst (VIC)

With government playing a key enabling role, the program unlocks institutional scale private capital to generate new social and affordable housing stock. The model leverages the strengths of, and provides value for each partner:

### Government

- Rental subsidy unlocks private sector capital to fund upfront acquisition costs.
- Fiscal savings generated through a reduction in the utilisation of downstream homelessness services.
- Outsources risk on property acquisition, property price movements, and maintenance.

### HousingFirst

- Long-term access to a diversified portfolio of new, high-quality housing stock.
- Aligned investment capital that is supportive of its mission.
- Government concession provides confidence for strategic planning and investment.

### Investors

- Access expertise and lived experience of a capable CHP partner.
- Government backing reduces risk and therefore required rate of return.
- Leverages the power of mainstream capital markets to fund new housing stock.

Most importantly, the partnership provides ~500 people on the social housing waitlist with long-term, high-quality housing.



Highline, Westmead, SGCH with Lighthouse Infrastructure

## Lighthouse Infrastructure

Lighthouse Infrastructure (Lighthouse) is an investor in sustainable real assets. Lighthouse's clients are Australian institutional investors.

Lighthouse has worked with PowerHousing member SGCH to develop a unique investment model which delivers affordable housing. Lighthouse Infrastructure has invested \$120M to support SGCH in the acquisition of 161 apartments in Westmead, Western Sydney for moderate to low-income key workers wishing to live close to Westmead Hospital, the Children's Hospital, and Western Sydney University.

The funding model is a scalable solution that has the power to make a significant impact, addressing Australia's chronic housing shortage with flow on investments with the CHP sector. The landmark transaction sees Lighthouse provide initial funding to SGCH Keys, a registered charity and subsidiary of SGCH Group.

The 85 properties purchased are within the Highline development by leading Sydney developer and builder, Deicorp. Highline is located just 500m from Westmead Hospital and 100m from Western Sydney University campus. The tenancies will be managed by SGCH, with key worker tenants meeting the criteria of low to moderate income bands, and working in designated sectors such as emergency services, health and education.

This investment builds on Lighthouse's success as an investor in the disability housing sector, having created Australia's leading institutional portfolio of Specialist Disability Accommodation (SDA) assets under the Federal Government's National Disability Insurance Scheme (NDIS), working with other PowerHousing Members BlueCHP and Home in Place.

A key part of Lighthouse's strategy is to grow the impact of community housing through investment solutions that attract private capital. We partner with values aligned organisations who can help us to deliver more homes that will create social and economic opportunity for more Australians.

This type of investment is consistent with Lighthouse's mandate from its institutional clients to deliver socially responsible investments. The COVID-19 pandemic has highlighted the vital role key workers play in providing much needed essential services to our society. This form of investment in real assets provides key workers access to rent affordable housing and live close to their workplace.

The Lighthouse funding model will be scaled further with other community housing partners to fund key worker housing in other states for the institutional investor market.

## Driving ESG in Community Housing – SGCH (NSW)

Community Housing is more than just building houses, it is about providing homes, communities and environments for tenants to thrive in. Community housing is also about addressing the pressing issues of our societies, including climate change, wealth inequality and social disadvantage. Social and environmental responsibility is at the heart of what CHPs do, and the increasing appetite for investors to put funding towards positive outcomes will only benefit the sector.

Established in 1985, St. George Community Housing (SGCH) has built its ESG credentials over many years. Since 2014, SGCH has been developing their social impact approach framework. This involves a commitment to defining, measuring, managing and reporting the impact that SGCH has on the community.

Important achievements from SCGH since 2014:

- Delivered 298 energy efficient homes through debt financing with the Clean Energy Finance Corporation (CEFC) between 2015 and 2020.
- Retrofitted 1,230 homes with the CEFC and NSW Government through the Home Energy Action Plan.
- Supporting the Green Building Council of Australia (GBCA) and their Green Star standard for energy efficient Australian homes.
- Producing their first Modern Slavery Statement in 2021 which reports and identifies the risks of slavery in SGCH's operations and supply chains.

Following the launch of the UK Sustainability Reporting Standard for Social Housing in November 2020, the following year, SGCH began exploring ways it could report against a similar standard. SGCH engaged Alex Gold from BWD Strategic to conduct a mapping exercise of its current data sets against the metrics in UK standard, and alignment with the United Nations Sustainable Development Goals (SDG).



In June 2022, SGCH released their first Impact Report. The report articulates SGCH's methodology in assessing its ESG approach and foundational practices. The Impact Report responds to growing interest by investors in community housing as an asset class and will boost understanding of social infrastructure, the opportunities for partnership with community housing, and the benefits delivered.

SGCH is taking all it has learned to inform the rest of the community housing sector on the best practices for ESG and social impact reporting. SGCH is actively participating in the development of an industry ESG reporting standard with the Community Housing Industry Association and a consortium of private and public sector partners, including NHFIC, SGS Economics and Planning, Ritterwald Consulting and Paxon Group.



Dr Alex Gold (BWD Strategic)  
PowerHousing Conference 2022



Ironbark Apartments, City West Housing (NSW)

# 09

## Capacity Statement

### Aggregation Projects, Corporate Industry Endorsement and Partnerships

PowerHousing continues to work through member aggregation to create important partnership opportunities and collaborative policy positioning. While there are a range of other aggregations under development, with Members currently working with Bunnings, Harvey Norman and MyConnect, below are some key aggregations that Members are undertaking to provide best practice, sustainable social and affordable housing options.

#### Best Practice Property Services — JLL Valuation Advisory

PowerHousing Affiliate JLL has significant exposure to the social, community and affordable housing sector around the world and is working closely with PowerHousing to ensure this knowledge and experience is shared with the Members. JLL is acutely aware of the need for the sector to manage and minimise operational costs, where possible, while engaging with service providers with the aim of achieving best practice and quality property services and increasing the opportunity to generate better outcomes for their clients and the community.

JLL Australia has committed to being part of the sector's solution by providing various tailored and customised property-related services to CHPs. The main service provided to date has been valuations for finance and financial reporting purposes and have been offered by way of valuation aggregation; whereby the

valuation fees have been determined after taking into consideration the scale of the PowerHousing member body. This initiative has led to an ever increasing number of PowerHousing Members engaging with JLL for valuation services.

In addition to valuation services, Members have also engaged JLL to provide a variety of other services including bespoke strategic research, quantity surveying, buyer's advocacy, data analytics via Geographic Information Systems (GIS) and data driven indexation services.

Given JLL's exposure to the Social, Community and Affordable housing sectors, JLL is well positioned to provide further services to assist the sector in obtaining greater operational cost efficiencies through services such as Energy Sustainable Services, Property and Asset Management and Property Development Services.

All services may see a reduction in costs incurred by the



## Case Study:

### Innovative software saves 100+ hours in reporting

Haven; Home, Safe (HHS) is one of Australia's only fully integrated homelessness services and affordable housing providers. It has been providing homelessness support services and affordable rental housing to vulnerable Australians for over four decades.

For many years, HHS was looking for an effective way to connect its asset management systems with its housing management and general ledger systems. After comprehensive research, due to its usability, web delivery and integration with the advanced functionality of Microsoft Office, Calumo (an insightsoftware product) was selected as the tool for HHS to maximise the value of its data and optimise performance.

#### Results:

Time to generate a trial balance slashed from four hours to just seconds

Ability to spend more time understanding narrative behind the numbers to inform strategic insight

Greatly improved budgeting ownership and engagement from management

Particularly post-COVID, the Australian community housing sector is facing an unprecedented increase in demand. To manage this, CHPs are investing in technology like Calumo to automate manual processes, enable data-led decision making, and effectively report on outcomes. Investment in technology will be a key driving of the future sector growth and improved service outcomes.

CHP thereby enabling greater investment in their core services.

As JLL is further engaged by the CHP sector the JLL Research department will garner greater insights into this sector which will result in regular commentary and insight. JLL are strategically positioned to be a supplier of choice not only to PowerHousing but to all government housing departments as well as Australia's entire CHP sector.

### IT Platform Evolutions – MRI Software

MRI is a leading provider of innovative real estate software applications and hosted solutions, globally servicing more than 17,000 clients making them one of the largest companies of their kind. Founded in 1971, MRI has been involved in the social and affordable housing sectors around the world for over five decades and has built a strong presence in Australia and New Zealand, implementing and supporting solutions with 40+ CHPs representing almost 50,000 properties under management.

MRI has worked closely with PowerHousing and its Members for a number of years, offering its expertise, insights and technology to meet the unique requirements of organisations operating in the community housing sector. MRI approaches each client relationship with a determination to deliver cost efficiencies and performance improvements to enable providers to better service their customers. The main benefits provided to date have centred on MRI's core housing management solution. A platform designed to assist housing professionals by offering a comprehensive tenancy and property management system that simplifies key tasks such as client communications, rent and non-rent account management, maintenance management and regulatory reporting.

Beyond the existing platform, MRI is uniquely positioned to offer whole of business solutions orientated towards the future with scope to respond to the growth and evolution of the sector. With capabilities across a number of property segments MRI is able to leverage market leading technologies from the commercial and private residential spheres. For example, MRI's asset maintenance and planning application, Evolution, centralises property-related data to improve the performance and lifecycle of assets and inform the decision-making process. MRI Workplace Central helps digitise the workplace with employee and visitor touchless sign-in, desk-booking management and space planning.

There is also real opportunity here for some calibration, so property and tenancy managers have access to the same innovative technology irrespective of whether they are working for a private residential or social housing organisation.

MRI is confident in its current and future capacity to deliver increased operational efficiencies, improved service delivery and cost savings to community housing providers.



### EveryOne Homes – Delivering new social and affordable housing

EveryOne Homes, a division of Metricon Homes, leverages the design pedigree, operational and construction efficiencies of the nation’s largest builder to create more social, affordable and accessible housing for the community. EveryOne Homes has a strong history with PowerHousing CHPs, along with governments, to deliver housing outcomes that meet the stringent requirements the sector requires.

EveryOne Homes is committed to assisting CHPs deliver the housing outcomes required to meet the housing affordability crisis gripping Australia. Significant opportunities exist to renew existing housing sites to create additional housing, particularly with the tight availability of land. The substantial impacts optimising existing land is reflected in EveryOne’s sector specific house designs. Utilising compact home designs with features that benefit the tenant has had a multiplier effect on the number of homes able to be built on any particular site.

At the same time, it is important to ensure that new housing supply meets community expectations and the needs of tenants. EveryOne builds most homes with a 7-star NatHERS rating, so these renewed homes will significantly increase energy efficiency and reduce energy expenses for tenants. Furthermore, the new homes are a non-toxic robust product that aims to minimise future maintenance expenses.

EveryOne leverages its urban design capability to create an accurate feasibility assessment for CHPs before they purchase any land. This is done whilst working collaboratively through design details, specifications, land requirements, energy ratings, and accessibility requirements to design homes that meet a CHP’s specific needs.

EveryOne also builds most new dwellings to at least a Livable Housing Australia (LHA) Gold standard and some to a fully accessible level. By adopting a universal

design approach, EveryOne designs practical houses for tenants that consider their future needs. Houses can be easily used by tenants during all stages of their life and almost all mobility requirements. Government and Community Housing Providers recognise the value of developing beyond compliance so that dwellings are adaptable beyond first use.

EveryOne Homes recognises the need for cost and time effectiveness for CHPs and its designs are conceived with scalability in mind. They are more efficient, in terms of time and money, than bespoke architectural designs as full construction plans are available almost immediately together with accurate pricing. This arms CHPs with the information they need at an early stage to decide whether to proceed with a project.

### Believe Housing Australia (SA) – Tackling energy poverty with 369 Labs

Australian energy prices have increased significantly in recent months, pushing more Australians into energy poverty.

Believe Housing Australia together with energy solutions partner 369 Labs and energy retailer Beat Energy is addressing energy poverty through the installation of intelligent rooftop solar energy solutions for community housing tenants.



### Case Study:

#### \$260,000 Pilot Project

Believe Housing Australia worked with energy solutions provider 369 Labs, to install solar systems in 37 community housing properties, helping tenants reduce their cost of living and carbon footprint. The solar systems are fully paid for, maintained and owned by Believe Housing Australia, leaving tenants with no installation expenses. The initiative reduces household bills, at a time of cost of living increases and it contributes positively to the environment.

Believe Housing Australia is focused on increasing the supply of social and affordable housing in SA, whilst being committed to developing sustainable homes suitable for the long-term.

The solar initiative uses Pulse®, an Australian developed technology from 369 Labs, which directs tenants on how to maximise the benefits of solar.

Tenant Jennifer Coonan said she and her husband, are grateful to have access to renewable energy –



an opportunity which was always financially out of reach.

“We often thought about solar but obviously, living in community housing, have never had the funds to do so. We’re keen to see how much we save and we like the idea of doing the right thing for the environment.”

The system reduces energy costs between 15% and 30% each year. More than 25% of all Australian householders are tenants and most are excluded from the renewable energy market, whilst energy costs continue to rise.

CHPs finally have available an Australian innovation that delivers cost effective renewable energy to all tenants. After the pilot’s success, Believe Housing Australia has proposed a further 300 smart solar systems, lowering energy costs for many more tenants.



technology can connect more people to rooftop solar people in low-income communities per dollar spent on capital works than any other approach. Many states also have grant programs to support rooftop solar on community housing.

City West Housing is a leading Community Housing Provider in NSW. They connected rooftop solar to 226 apartments in three apartment complexes in their portfolio with Allume’s SolShare technology. The new residents are enjoying lower energy bills, plus they know their energy use has minimal impact on the climate because they are using renewables.

### Allume Energy’s SolShare with City West Housing (NSW)

Allume Energy has invented a technology, the SolShare, that allows one rooftop solar installation to be shared by multiple apartments in the same building.

Allume Energy have installed this technology on multi-residential social housing in NSW, Victoria, SA and ACT. This means that 700 households in social housing apartments are now enjoying the benefits of rooftop solar. Allume has worked with Housing Choices Australia, Evolve Housing and Mecwacare amongst many others.

The annual savings on the electricity bills have averaged \$300 to \$350 per year. As has been reported widely, the recent energy crisis in Australia has driven retail electricity bills ever higher. This means the savings from rooftop solar will increase to between \$400-\$500 per year, depending on the state.

Shared solar installations using Allume’s SolShare







Box Hill, Hayball with HousingFirst (VIC)

## Affordable Housing Design – Hayball

Hayball has been active in a diverse range of residential and community sectors for almost 40 years, with over 2,000 mixed tenure dwellings currently in design and delivery.

Hayball specialises in projects that are rich in architectural and urban quality and respond to social, environmental and market needs. The national architectural practice is leading the way in providing full-service delivery for social, affordable and mixed-tenure housing where individuals and community can thrive – homes that bring together people with diverse needs, enable space for social connection and celebrate the experience of arriving home.

This includes working directly with CHPs on design guidelines and in partnership on mixed-tenure projects that PowerHousing Members are engaged in, notably with Housing Choices Australia—Nightingale Village and Assemble Communities’ 402 Macaulay Road, Kensington; and HousingFirst—Tempo Apartments, Box Hill and Preston Crossing, Preston. Hayball is leading multiple projects under Victoria’s Big Housing Build and Public Housing Renewal programs such as the redevelopment Dunlop Avenue, Ascot Vale, Bills Street, Hawthorn, and Preston Crossing, Preston.

Hayball’s current engagement within the sector, includes the design and delivery of 580 social and community housing dwellings as part of eight mixed tenure projects representing over \$700 million in public and private investment.

The practice offers multi-disciplinary services and a high level of experience that provide ongoing benefits and value in terms of efficiency of process and quality of the outcome. The firm’s integrated urban design, architecture and interior design services enable different aspects of the project to be undertaken in parallel ensuring an efficient process. Hayball can identify and mitigate project risk items from the outset as well as apply efficient methods for project delivery and cost-effective solutions while preserving architectural integrity.

## Case Study:

### Karndean Flooring

#### The Challenge

SGCH is one of the largest community housing providers in NSW. The \$16.5 million development provides homes for more than 8,900 people in 4,700 properties across the Sydney metropolitan region. The Cartwright development comprises of 64 units across two four-storey buildings. The building includes one and two bedroom units that feature a contemporary open plan living environment.



#### The Solution

SGCH required a modern flooring solution that not only fit the unit style but also ticked all the boxes for building compliance. Angus Nguyen, Development Manager at SGCH explains how they came to the decision to use Korlok by Karndean Designflooring, a rigid core product for this development.

*“Korlok was installed into a few of our test apartments so we could see first hand how the product performed. We were really impressed with the results and Korlok proved to be a success in meeting our flooring requirements. That’s when we made the decision to swap the original specification of carpet and tile to Korlok for the entire project. Carpet wears easily and often needs to be replaced every couple of years. Making the decision to use Korlok instead of carpet was going to be a huge cost saving for us in the long term and greatly reduce our maintenance cost.” explained Angus Nguyen.*

*“Durability, ease of installation, acoustic performance and compliance with the Building Code of Australia for multi-story building were some of the key factors that led to our decision that Korlok by Karndean Designflooring would be the best flooring solution for our development.”*

# NEC

## Case Study:

### Account Analytics helps Paragon Asra (PA) housing spot residents in need

NEC's Account Analytics has been helping housing providers to allow users to work smarter by identifying arrears risk before tenants may begin experiencing rental difficulty. Through early interventions this enables tenants, along with housing providers, to take control in developing a roadmap out of debt.

Housing providers using Account Analytics can transform their approach to arrears. By seeing which residents might be struggling the most, income officers can offer the right help fast.

### Account Analytics for NEC Housing

Account Analytics builds a clear picture of tenants who are at risk of falling into rent arrears using the data in NEC Housing. The system is helping PA Housing's income team to identify the residents who are in most need of support, and to provide help and advice.

Account Analytics enables a more effective way to intervene early, helping tenants before rent arrears became a bigger problem. So, when PA paused recovery action for the COVID-19 lockdown, they used the time to work on rolling out our Account Analytics solution. Unlike third party systems, it's part of NEC Housing. This means:

- The PA team doesn't need to extract, match or manually update data.
- Information is always accurate because it updates with every action.
- Team members always have access to the full picture, so they can make better decisions.
- They don't need to flick between systems when dealing with a case.
- They have complete control over how caseloads are generated.

*"Account Analytics for NPS Housing is a win-win for us. Having the right data means we offer better advice sooner, which in turn reduces our debt." Katherine Hiscock, Income Manager, PA Housing*

## Bridging the gap between housing and homes – Civica

As governments and Community Housing Providers prepare to deliver more housing stock to the market, we must not forget to consider the human element involved. That is, it's not just about delivering more houses but more importantly creating homes for those most at need within our community.

Technology is key to bridging the gap, and as governments and Community Housing Providers look to provide more, it's imperative that this doesn't come at the expense of what's most important, the social impact and well-being of the tenant.

Civica's range of smart housing software can not only deliver the efficiencies required for providers to do more with less but also provides a holistic view across both the tenant and complex asset portfolio's, ensuring that what's most important to the tenant is heard across the organisation.

*Civica's recently published "Changing Landscapes" research in the UK showed that still over 45% of tenants feel that they are not being listened to by their providers*

As we embark on one of the biggest investments in social and affordable housing in decades, smart technology will be key to ensure that we create homes for our most in need, not just houses.

**About Civica:** With over 40 years social and community housing experience, Civica provides a range of smart software solutions in support of today's Community Housing Providers. Civica helps create a more sustainable long term housing practice that enables more of the housing dollar to be directed into not only providing new housing stock, but more importantly creating safe, secure and affordable homes for those most in need.

## Sector capacity solutions – Three Chairs Consulting

The community housing sector works with key partners to facilitate their growth, meeting the challenge posed by increasing housing unaffordability. A number of CHPs have invested in their growth with the support of Three Chairs Consulting. Three Chairs Consulting has contributed across the development of strategy, governance, leadership and culture, risk, and operations management.

*"SGCH has worked with The Three Chairs team since 2019 - they understand that contemporary community housing organisations need advice that blends commercial perspectives with values led culture and social purpose. They've demonstrated a commitment to get to know the issues in community housing and apply their strategic, operational and cultural shaping expertise to help guide board and executive teams. They're on the journey with us and they're committed to growing impact." - Scott Langford, CEO SGCH*

HousingFirst commissioned Three Chairs Consulting to conduct research specifically into growth strategies for the benefit of the sector. This research has provided insight into nuanced strategies for growth and the opportunities and risks associated with various strategic choices.

*"Housing affordability is worsening, and it's imperative that CHPs tackle housing and rental affordability. The research Three Chairs conducted gave us insights into how national and international CHPs have strengthened their capability and capacity to support significant growth"*

*"I'm excited to hear this research will be used to support the sector, through the development of a new tool Three Chairs and BPC are developing together" - Haleh Homaei, CEO HousingFirst*

### Global Partnership for Growth – Three Chairs Consulting and Bailes Partners Consulting (BPC)

Three Chairs Consulting (Australia) and BPC (UK) have teamed up in an exciting international partnership to bring clients unique insights from across the globe. The respective founders, Melanie Bois and Ria Bailes saw the opportunity to share their extensive research, experience, and commitment to the sector, to develop a sector-specific tool for CHPs to assess growth readiness.

The design of the tool draws upon research and industry experience in housing, strategy, governance, change management, leadership, strategic partnerships, and operations. Their recommendations reflect the wider experiences and learnings of housing providers in Canada, the US, UK and Australia.

This tool will be available for CHPs in March 2023.

### Content Security

Content Security is an Australian IT security integration and consultancy firm with offices in Sydney, Melbourne and Brisbane. Founded in March 2000, Content Security focus on protecting their customers' brands and reputations from the constant evolving threats. Content Security do so by partnering with key technology vendors and providing practical expertise on governance, security architecture, secure cloud, advanced forensics and more.

Content Security's purpose is to create and sustain the customers' cyber security by building a relationship and becoming their trusted advisor. Content Security want to empower their customers by bringing together people and technology, creating the most powerful integration of cyber solutions and services. Through protection, education and enforcement, they assist by protecting the business and drive the best outcomes through their expert professionals focused on delivering customer excellence as a core driver.

Content Security's promise is to be a cyber resilience partner, listening, advising and focusing on value for money and efficiency.



## Case Study:

### Fleetwood Australia

Australian owned, and with more than 55 years of experience, Fleetwood is a market leader in modular construction, known for innovation, quality, and reliability. We produce a range of residential housing solutions – from lifestyle villages to volume housing developments in remote, regional areas. Our factories in WA, SA, NSW, Victoria, and Queensland provide Fleetwood with a national footprint, and make us the largest modular construction company in Australia.

Osprey Village in Port Hedland, WA is a case study highlighting our ability to produce houses at scale and speed, where we built and delivered 293 homes in 9 months. Ongoing community benefits flow from the hundreds of houses provided to support the region.

The Osprey Village example illustrates the benefits of our modular building method:

**Faster Delivery:** Modular homes take up 50% less time to deliver compared with traditional building methods.

Off-site construction of our homes enables site preparation to work in parallel with factory construction, saving a considerable amount of time for projects requiring faster solutions for housing those in need, as well as earlier returns on investment for developers.

**Greener:** Designed and manufactured in a factory-controlled environment, modular housing manufacturing methods reduce waste and material usage when compared with traditional construction.

**Less Impact:** Offsite manufacturing ensures minimal site and community disruption during the build process. Nearby residents and communities benefit from reduced building time, noise, and construction traffic.

**Lower Risk:** Our factory building methods allows greater control of timeframes, costs and quality, minimising delays from weather impacts and working in an uncontrolled environment.

## Case Study:

### HousingIS

Effective use of information technology and systems is crucial to supporting CHPs in delivering professional customer services and pursuing ongoing growth. Making the right choices in system procurement, implementing diligently and pro-actively using technology to deliver initiatives are key parts of the matrix in how CHPs can prove their capabilities.

Over the past 10 years, Housing Information Solutions (HousingIS) has worked with 21 PowerHousing Australia members in procuring and implementing a range of tenancy, asset and finance management systems as well as assisting them in system reviews, business process improvements, data management, interface development and performance reporting.

Housing IS what we do. We know Housing. We know IT. We know the issues and the challenges that CHPs face.

With our extensive knowledge of how CHPs operate and deliver services, we are able to quickly understand their business needs, provide well-informed insights, identify the potential for implementing new initiatives and delivering high calibre outcomes, all of which have supported PowerHousing Australia members in pursuing and securing growth opportunities.

These outcomes have been recognised, not only in the testimonials provided on our web site ([www.housingis.com.au](http://www.housingis.com.au)) but also in the ongoing growth experienced by our customers as the following case studies illustrate.

Client	Project
Bridge Housing & Women's Housing Company NSW Hume Community Housing	Following the allocation of management contracts under the NSW Social Housing Management Transfer program, designed and managed the development of interfaces from each CHP's core housing system to NSW Land & Housing Corporation systems, successfully ensuring continuity of operations and contract compliance and thereby proving the capabilities of each CHP.
Bridge Housing	Developed a reporting dashboard to improve performance monitoring across the organisation and thus prove the quality of services it is providing.
Junction Australia	Successfully managed the procurement of an enterprise resource planning system to improve how Junction Australia could better support its operations, which, in turn has contributed to its ongoing growth.



Minister Collins speaking to the PowerHousing CEO Roundtable at Hall & Wilcox's Offices

### Hall & Wilcox

Hall & Wilcox has market leading cross practice expertise in the area of social and affordable housing across multiple legal areas including projects, property, regulatory, banking and finance, tax, employment and planning. Proudly, Hall & Wilcox regularly act for Community Housing Providers on government projects including negotiating subcontracts, D&C contracts and development management agreements. Hall & Wilcox bring specialised knowledge of the range of legislation applicable to social and community housing.

Hall & Wilcox also regularly act for CHPs and CHAs on NHIFIC refinance or finance deals. Their specialist team combines banking and finance experts and projects experts that work together to assist CHPs through these financing processes. They also act for CHPs on employment matters. This includes having provided extensive advice on matters such as employer obligations, statutory interpretation, vaccination policy advice, awards and agreements, discrimination and privacy considerations.

Hall & Wilcox has acted for state and local government, public and private companies and not-for-profit organisations in this space, and are committed to helping tackle the affordable housing challenges facing the community. Hall & Wilcox have worked on a number of major social housing, Build-to-Rent and National Disability Insurance Scheme projects.



United Nations Secretariat Building, IHP 2022 New York Pre-tour

# 10

## International Engagement

### Affordable Housing Global Asset Class

PowerHousing Australia is a member in the multinational social and affordable International Housing Partnership (IHP), alongside the United Kingdom, United States of America and Canada. PowerHousing's associate member from New Zealand, Accessible Properties, is also a delegate of the IHP.

We meet in one of the four partner countries regularly (COVID-19 excepted). The most recent IHP meeting took place in Toronto from 3-7 October 2022. Between our regular meetings, we work on exchanging international member best practice in social and affordable housing.

Currently we are working on driving momentum for affordable housing as a global asset class for international and institutional investment. This is a collaborative set of work with the IHP partner countries and affiliate partners. This is championed by Scott Langford of SGCH with support from our PowerHousing Member Working Group.

There is a significant opportunity in Australia to capitalise on the enthusiasm for infrastructure investment and assets aligned with social outcomes. The Treasurer, Dr. Jim Chalmers MP, highlighted the role Australia's superannuation funds could play in investing into affordable housing. Australia's \$3.4 trillion superannuation sector – Australia's compulsory retirement savings funds – manage the wealth of ordinary Australians and should have an interest in developing the nation in the interests of their members. The Treasurer specifically focused on built-to-rent and social housing as new asset classes that the funds could pioneer.

PowerHousing has also engaged to help define the build-to-rent agenda. This effort builds on the relationships built by PowerHousing Australia CEO Nicholas Proud over the past 8 years across roles. This has been expanded upon with PowerHousing having well over 50 meetings of this nature in New York,

## PowerHousing Member Exchange with Morgan Stanley, San Francisco



Washington, San Francisco, Ottawa, Montreal, Toronto and Manchester since 2016.

In our work with cities urban development, PowerHousing has also developed relationships with international partners to progress our Australian objectives. In conjunction with our participation at the IHP Leadership Exchange in Manchester, we formed a working relationship with the Greater Manchester Combined Authority to define future housing in the Australian City Deals.

PowerHousing will continue to bring the work on the affordable global housing asset class to fruition after the engagements in New York and Toronto in 2022.

In 2019, Paxon Group was contracted to develop a paper on the prospects, challenges and opportunities for the creation of a social and affordable housing as an asset class. The outcome of that was a comprehensive paper that outlined the key details and barriers needed to be overcome in order to develop the asset class. This work has now been updated for 2023 and beyond.

### Paxon Group – Creating a Global Asset Class for Affordable Housing

Paxon assists their clients and the community housing sector to find models, methods and frameworks that lead to a greater housing outcome from the resources available. Part of this work includes Paxon's thought leadership and development work with the sector and investment markets.

Paxon's work on the 2019 Creating a Global Asset Class for Affordable Housing report highlighted that affordable housing is more conducive to projects attracting financing and presents a more consistent definition across differing countries than social housing. Affordable housing exists as an asset class to some extent within some IHP delegate nations, a position which has evolved further over recent years.

Affordable housing has not yet emerged as a well-defined global asset class due to several market failures including, a lack of understanding from investors, perceived poor returns, perceived small market size, small project size, (making transaction and project costs prohibitive), or lack of precedent projects.

It is possible to specify the broad risk and return characteristics which define affordable housing and would be used to characterise an asset class.

### Similarities to social and economic infrastructure

Affordable housing in Australia is like social and economic infrastructure for three key reasons. First, a portion of rental costs are covered via Commonwealth Rent Assistance (CRA). This is comparable to government service payments typically received in social infrastructure agreements and results in lower risk of cash flows. Second, the portion of cash flows that are not covered by CRA are sourced from private tenants, which results in a risk return trade off more aligned with economic infrastructure. Finally, given the likely volume of potential tenants and level of occupancy risk, the expected utilisation is more aligned to an infrastructure project than residential property where sales and rental risk is higher.

### Next steps to establish the asset class

Paxon's report highlighted that the requirements to establish an asset class are well understood. Paxon recommended PowerHousing and IHP advocate and educate their respective markets, engage with rating agencies and encourage governments to support projects.

The work also noted that financial markets and involved parties will generally actively pursue opportunities where these opportunities are understood and publicised. Attaining the support of the investor market (through the support of government) will provide significant help in progressing the asset class development.

### Progress since the initial report

Since presenting the report, Paxon has worked on many projects at a Commonwealth, state and CHP level which further the goal of developing the asset class within Australia. We are pleased to build on the experience of those projects and the sector more broadly, presenting an update to the report as part of our engagement with PowerHousing.





Nicholas Proud  
PowerHousing National Member Exchange, 2022

# 11

## PowerHousing CEO's Conclusion

Australia is facing a housing affordability crisis. The past 30-years has seen an underinvestment in much needed social and affordable housing stock. The market hasn't come to fill the gap. There are fewer and fewer truly affordable places to live.

The community is recognising that more needs to be done. The recent election saw a swarth of independents elected on a platform to deal with the housing affordability crisis and the rising cost of living. Governments, developers, thought leaders, investors and business partners have also realised that the lack of affordable housing is hurting the most vulnerable amongst us.

Community Housing Providers are on the forefront of dealing with the housing affordability crisis. As scale not-for-profits who deliver social and affordable housing, CHPs are directly addressing one of Australia most pressing issues. CHPs have grown to such a scale while retaining a strong sense of purpose. Community engagement, social responsibility and civic mindedness are at the heart of CHPs.

The community housing sector is growing; PowerHousing's members have doubled in scale over the past decade and are set to continue that growth in the coming years. The Government's commitments to housing along with growing investment community is set to accelerate CHP's development of new social and affordable housing.

Community Housing Providers are well placed to partner with government and the private sector to finally tackle Australia's housing affordability crisis.

**Nicholas Proud**  
Chief Executive Officer  
PowerHousing Australia

# PowerHousing Australia Members

## AUSTRALIAN CAPITAL TERRITORY

CHC Australia  
[www.chcaustralia.com.au](http://www.chcaustralia.com.au)

## NEW SOUTH WALES

Argyle Housing  
[www.argylehousing.com.au](http://www.argylehousing.com.au)

BlueCHP Limited  
[www.bluechp.com.au](http://www.bluechp.com.au)

Bridge Housing Limited  
[www.bridgehousing.org.au](http://www.bridgehousing.org.au)

City West Housing  
[www.citywesthousing.com.au](http://www.citywesthousing.com.au)

Evolve Housing  
[www.evolvehousing.com.au](http://www.evolvehousing.com.au)

Home in Place  
[www.homeinplace.org](http://www.homeinplace.org)

Homes North  
[www.homesnorth.org](http://www.homesnorth.org)

Housing Plus  
[www.housingplus.com.au](http://www.housingplus.com.au)

Housing Trust  
[www.housingtrust.org.au](http://www.housingtrust.org.au)

Hume Community Housing Association  
[www.humehousing.com.au](http://www.humehousing.com.au)

Mission Australia Housing  
[www.missionaustralia.com.au](http://www.missionaustralia.com.au)

Women's Housing Company  
[www.womenshousingcompany.org.au](http://www.womenshousingcompany.org.au)

Link Wentworth  
[www.linkwentworth.org.au](http://www.linkwentworth.org.au)

NCCH  
[www.ncchc.org.au](http://www.ncchc.org.au)

Pacific Link Housing  
[www.pacificlink.org.au](http://www.pacificlink.org.au)

SGCH  
[www.sgch.com.au](http://www.sgch.com.au)

Southern Cross Housing  
[www.scch.org.au](http://www.scch.org.au)

## VICTORIA

Beyond Housing  
[www.beyondhousing.org.au](http://www.beyondhousing.org.au)

Haven; Home, Safe  
[www.haven.org.au](http://www.haven.org.au)

Housing Choices Australia  
[www.hcau.org.au](http://www.hcau.org.au)

HousingFirst  
[www.housingfirst.org.au](http://www.housingfirst.org.au)

Launch Housing  
[www.launchhousing.org.au](http://www.launchhousing.org.au)

Women's Housing Ltd.  
[www.womenshousing.com.au](http://www.womenshousing.com.au)

Unison  
[www.unison.org.au](http://www.unison.org.au)

Uniting Vic.Tas  
[www.unitingvictas.org.au](http://www.unitingvictas.org.au)

YWCA National Housing  
[www.ywcahousing.org.au](http://www.ywcahousing.org.au)

## WESTERN AUSTRALIA

Bethanie Housing Group  
[www.bethanie.com.au](http://www.bethanie.com.au)

Foundation Housing  
[www.foundationhousing.org.au](http://www.foundationhousing.org.au)

## SOUTH AUSTRALIA

Believe Housing Australia  
[www.believehousing.org.au](http://www.believehousing.org.au)

Junction  
[www.junctionaustralia.org.au](http://www.junctionaustralia.org.au)

Westside Housing Association  
[www.wha.org.au](http://www.wha.org.au)

UnitingSA  
[www.unitingsa.com.au](http://www.unitingsa.com.au)

Unity Housing Company Ltd  
[www.unityhousing.com.au](http://www.unityhousing.com.au)

YourPlace Housing  
[www.yourplacehousing.com.au](http://www.yourplacehousing.com.au)

## QUEENSLAND

BHCL  
[www.bhcl.com.au](http://www.bhcl.com.au)

Churches of Christ  
[www.cofc.com.au](http://www.cofc.com.au)

## TASMANIA

Centacare Evolve Housing  
[www.centacareevolve.com.au](http://www.centacareevolve.com.au)



### Sector Capacity Prospectus FY2024 – Research Developer

The Sector Capacity Prospectus was managed and co-written by Finn Moore, Research and Economics at PowerHousing Australia. Finn also managed and co-wrote PowerHousing Australia's 2022 Australian Affordable Housing Report: Standard House Environmental Scan. For further queries contact PowerHousing Australia on (02) 6210 5040.

PowerHousing acknowledges the work of our Affiliate CoreLogic to provide data to support the PowerHousing Australia Scale Sector Capacity Prospectus FY2024. PowerHousing would also like to acknowledge the contribution of our other Affiliate Partners and the assistance from Industry Analytics Australia.





## About PowerHousing Australia and its Members

PowerHousing Australia is a unique forum for peer-to-peer exchange collaboration amongst housing professionals who are dedicated to improving lives through the provision of social and affordable housing. As per the CFO Benchmarking survey, the organisation today has 38 of the largest scale Community Housing Provider Members who collectively manage over \$35 billion in housing, own or manage over 93,000 homes for over 150,000 people on low to moderate incomes.

Principal Partner



Corporate Affiliate Partners



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Bendigo Affordable Housing  
YWCA National Housing