

A background image of a city skyline, likely New York City, with a bridge in the foreground and a river. The image is overlaid with a semi-transparent green filter. A white geometric shape is on the left side of the slide.

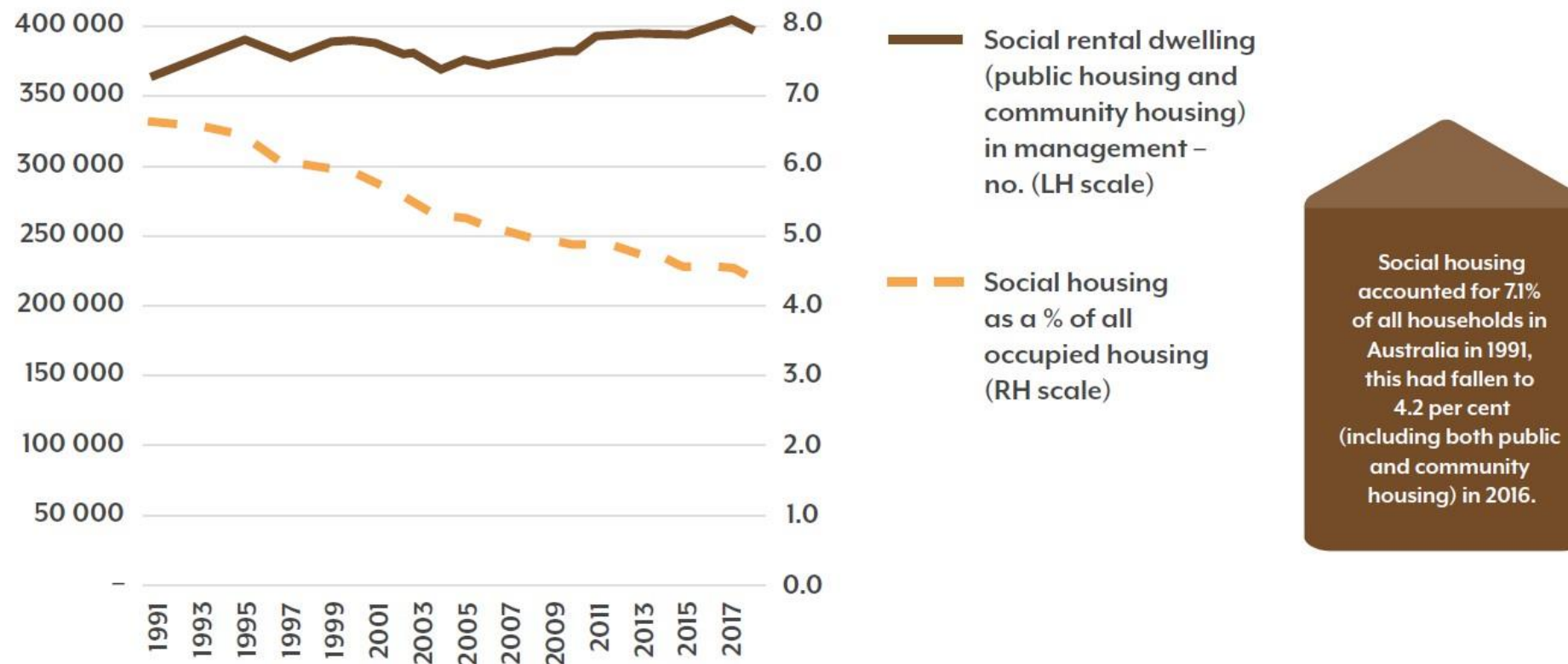
National Affordable Housing Alliance

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Social & Affordable Housing Shrinking as a Proportion of Total Housing Stock

Figure 2: Social housing supply



Social housing accounted for 7.1% of all households in Australia in 1991, this had fallen to 4.2 per cent (including both public and community housing) in 2016.

Federal & State Supply Falling Short

- Waiting Lists (June 2020) - 155,100
- Need as Assessed by NHFIC - 45,000 additional dwellings per annum for 20 years:
 - 30,000 social housing p.a.
 - 15,000 affordable housing options p.a.
- Current State Housing Strategies - 16,760 p.a. based on existing housing strategies consisting of:
 - Social Housing proposed – 9,390 p.a.
 - Affordable Housing options proposed - 7,370 p.a.
 - \$1.355 billion p.a. committed by States
- 37% of dwelling requirements using NHFIC’s Forecast if left to State Government’s alone.
- NAHA policy suite could attract additional \$6.5 billion p.a. (\$130 billion over 20 years).
- Doing so would increase Social & Affordable Housing Investment to \$157 billion over 20 years or 54% of forecast need.

Source of Assistance	\$ Annual Budget Cost
Commonwealth Rent Assistance	\$5.5 billion
National Housing & Homelessness Agreement (NHHA)	\$1.6 billion
Sub Total (Recurring)	\$7.1 billion
Home Deposit Guarantee (30,000 guarantees – NHFIC) Home Builder Program	\$68 million @ 2.5% default rate \$2.1 bn as at 7 March 2022 113,113 homes to be built 24,642 renovations
Sub Total (non-Recurring)	\$2.17 billion

State Strategy	Social	Rental	Capital
ACT – Homes & Housing 2019 – 2024	1,275	1275	\$100 million
NSW - Housing 2041	1,600	-	\$900 million
NT – Housing 2020 - 2025	1,300	-	\$1.1 billion over 10 years
QLD – Housing 2017 - 2027	4,522	1,834	\$1.8 billion over 10 years
SA – Our Housing Future 2020 - 2030	150	20,000 over 10 years	\$452 million over 5 years
Tasmania – Affordable Housing Strategy 2015 – 2025	1000	941	\$475 million over 10 years
Victoria – Housing Strategy 2020 - 2025	9,300 over 4 years	2,900 over 4 years	\$3.06 billion over 4 years
WA – Housing Strategy 2020 - 2030	2,575 pa	250	\$590 million over 10 years
TOTAL FOR AUSTRALIAN State Governments	21,722	27,200	\$8.48 billion

1. Social dwellings produced on an annualised basis = **9,387** assuming stated dwellings to be delivered over life of strategy are delivered annually in even numbers.
2. Affordable Housing annual rate of delivery = **7,374** using same approach as for social housing.
3. Annual capital expenditure = **\$1.355** billion per annum.

Capital Aggregator

A Competitive Model to Attract Private Capital

- Cash contributions from different policy initiatives channelled to a single source – NAHA suggest NHFIC
- Tax credits pooled to form a single incentive pool
- Competitive bids invited from Development & Construction Industry to fund feasibility on projects that deliver social &/or affordable housing as part of the housing supply mix. Bridging the feasibility gap.
- Senior Debt arranged to complete the capital mix on competitive terms.
- For each \$1 of incentive \$4.80 attracted from the private sector.
- Tenant & Asset Management functions for Social & Affordable housing overseen by designated Community Housing Providers.



National Affordable Housing Alliance (NAHA) Policies to Consider

- Capital Aggregation
 - Developed by Constellation Project Sponsored by Community Housing Industry Association
- Future Fund
 - Developed by Grattan Institute
- Activating Affordable Build to Rent Housing
 - Requiring equalisation of MIT tax treatment, GST exemption
- Re Prioritisation of Infrastructure Contributions to integrate Social & Affordable housing as essential infrastructure
 - Re-prioritise 1% of contributions on new development to be offset against lower priority levies & charges



