

Unlocking key worker housing affordability

Concurrent Session 6

Wednesday 2 March 2022 1:30pm – 3:00pm

Chris Smith

CEO, Foundation Housing Limited



Part 1: An Affordable Housing Model for Key and Essential workers

Foundation Housing

Elevate by Foundation Housing

Developing and executing the model

- › A number of proponents presented Affordable fund models, Foundation Housing remodelled the concept by simplifying the model and to develop a more eloquent structure that would increase fund value and extend the term of the portfolio
- › The business completed an extensive environmental scan of available stock by developer, builder, location and price filtered through an internally developed matrix assessment tool
- › Early engagement with NHFIC was essential and proved to be very important to the success of the project
- › Bringing our Board and Development Committee on the journey from conceptual inspection was critical, importantly as the model developed and evolved
- › Settlements pegged to time bars, hence critical that transacted on contracted dates
- › Portfolio settled over four tranches, important to have all stakeholders organised and aligned
- › Government or Department approvals where required this took longer than expected to be received

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Key benefits from the portfolio

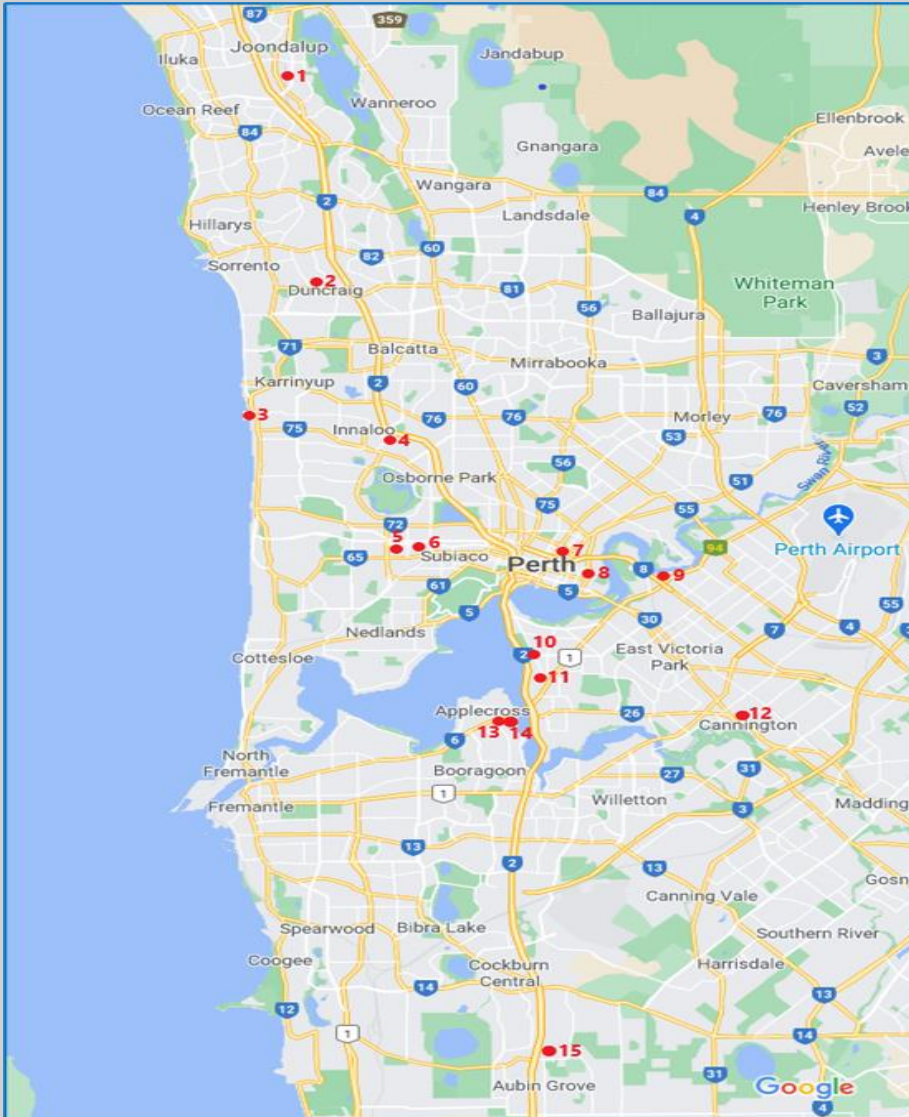
- › Leveraging Not for Profit Status
- › NHFIC long term secure and affordable finance
- › Right property market conditions
- › Rental vacancy rates below 1%
- › Retail Investors exiting the market placing more strain on the rental market
- › The Community Housing Agreement provides for Affordable solutions
- › Access to quality stock
- › Immediate supply of housing
- › Tenants have medium to long term security
- › Well located accommodation
- › \$55 million of stock acquired for \$45million (supported by independent valuations)

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Future Opportunity

- › Model has demonstrated financial viability
 - › Demand for affordable housing outstrips supply
 - › Sustainable housing model for the Community Housing Sector in the absence of clear social housing growth policies
 - › Capacity to partner with institutional investors as demonstrated by the Lighthouse and SCGH project announced last year
 - › Significant growth opportunity for the Community Housing Sector to deliver new portfolios of affordable key worker housing that aligns with mission
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Locations



1. Arthouse, Joondalup
2. Evolve, Duncraig
3. Beach Shack, Scarborough
4. Stirling Cross, Innaloo
5. Treehouse, Jolimont
6. Indigo, Subiaco
7. Verdant, Perth
8. Skye One Seven, East Perth
9. Tribeca East, Rivervale
10. M/26, Como
11. Henley on Park, Como
12. Mode, Cannington
13. Cirque, Mt Pleasant
14. Precinct, Mt Pleasant
15. 60 Flourish, Atwell

