UDIA National

Driving Build to Rent (BTR)

Urban Development Institute of Australia
NATIONAL

Executive Summary

The growing shortage of affordable/social housing, and spiralling housing affordability, are the consequence of the same problem – lack of housing land supply across the spectrum, impacting social, affordable, at-market, crisis and investor rental housing.

The shortfall in new housing supply stems from multiple, compounding factors: shortages of development-ready land, materials, and skilled labour, planning delays, development charges/taxes and increasing complexity - driving up the cost and the price of new dwellings.

Ordinary Australians are forced to pay more for homes (if they can afford to purchase), or they rent for longer at higher rates, with many inevitably pushed into needing government support or social housing. Critically, the housing gap is widening:

- The current housing shortfalls are circa 200,000 for at-market housing[i], 173,000 for affordable housing[ii] and 102,883 for social housing[iii].
- The 2021 NHFIC review estimates the need for 31,000 social and 14,000 affordable homes per year alone over the next 20 years[iv].
- NHFIC also estimates further annual shortfalls of 20,000 at-market dwellings from 2025 onwards.
- Historically, an average of just 8,500 affordable and social houses[v] are built every year, across State and Federal Governments and Community Housing Providers (**CHPs**), including replacement of existing stock. This excludes the substantial proportion of privately developed homes which meet affordability criteria.

The Federal Government's new $10 billion Housing Future Fund (**Future Fund**) plans to deliver some 30,000 houses over five years, (6,000 pa), with a further 4,000 pa for five years under the National Housing Accord (**Accord**)– a positive step but not enough to cover the annual shortfall.

NHFIC estimated in 2021 that it would cost around **$290 billion over 20 years**[vi] for Australia to meet the shortfall in affordable and social housing alone. This cost has likely increased due to recent escalation in construction costs.

Government and CHPs, simply have no practical way to close the gap on their own.[vii]

Further, narrowly-focused taxes and schemes to target the production of more affordable housing, such as inclusionary zoning, actually make the problem worse by increasing the cost of at-market dwellings, feeding back as input costs and ultimately higher prices for all housing across the spectrum.

Governments need to harness more diverse market housing supply options like Build to Rent (**BTR**) to overcome the at-market and affordable housing shortfall. The Federal Government's National Housing Accord recognises the need for the National Housing Supply and Affordability Council to review the barriers holding back BTR.

BTR can be delivered by the development and construction industry at scale with implementation of reforms that level the playing field with build to sell housing, and accelerate development. Equally, private BTR development should be incentivised to deliver more affordable housing, boost CHP capacity, and close the gap faster.

Australia needs funding incentives that cover the funding gap and harness the private market's ability to bring at-scale BTR investment to affordable housing (broadly similar to the previous NRAS scheme). Affordable housing supply can be accelerated by utilising private developer capacity and investment to deliver more from Government's spend.

As a broad estimate, the Future Fund alone could be utilised to incentivise private and CHP delivery of up to approximately 38,850 affordable houses or up to approximately 34,688 social and affordable houses.

The Federal Government has an important role through the National Housing and Homelessness Agreement (**NHHA**) to help States/Territories provide CHP incentives to BTR projects that provide affordable housing.
In anticipation of the National Housing Supply and Affordability Council's review of the barriers to establishing BTR, this report outlines the core challenges and practical BTR solutions for accelerating housing delivery across the spectrum.

The Pemulway Project by Deicorp on behalf of the Aboriginal Housing Company
Front Cover Image: Clarion by Milligan Group and MNi Group

Recommendation Summary

- **Use the NHHA and $10bn Future Fund** to fund and/or incentivise social and affordable housing initiatives across Federal, State and Territory Governments.

- **Limit reliance on Inclusionary Zoning and new property taxes** which jeopardise affordability across the housing spectrum, negatively impacting future delivery of market and affordable housing.

- **Fix the legislation impeding BTR:**

  » **Provide at-market BTR with the same effective GST treatment as Build to Sell (BTS)** by allowing at-market BTR projects to claim GST back during development (like BTS).

  » **Reform Managed Investment Trust (MIT) Withholding Tax (WHT) for BTR -** Reduce affordable housing BTR MITs WHT from 15% to 10% to attract at scale investment into affordable housing. Reduce at-market BTR MIT WHT from 30% to 15% in line with other MIT investment structures.

  » **Reform BTR land tax -** Harmonise the BTR 50% land tax discount across the country or exempt BTR from land tax completely.

  » **Exempt BTR from Land Tax and Stamp Duty Surcharge** to prevent penalising organisations that are delivering housing supply into the market.

- **Incentivise private affordable housing under BTR:**

  » **Reduced Infrastructure Contributions** in exchange for additional housing under an at-market or affordable housing BTR project.

  » **Align affordable housing incentives for CHPs and the private development industry** to increase affordable housing delivery and accelerate CHP capacity - focusing on the affordable housing outcome rather than the deliverer.

  » **Expand NHFIC's ability to act as a private partnership interface with CHPs** to ensure more affordable housing projects are built with BTR developers using private developer capability and funding.

- **Restart an NRAS-like scheme to boost affordable housing** by funding incentives that cover the funding gap and harness BTR investment in affordable housing.

- **Establish a new tradable tax credit for delivered affordable housing** that will give CHPs and private developers the ability to generate equity for new affordable housing projects – like the US Low Income Housing Tax Concession (**LIHTIC**).

- **Government's expand discount loans (e.g. under NHFIC), for affordable housing to private affordable housing BTR projects** delivering affordable product to the market like CHPs.

- **Open up more grants and loans for affordable housing BTR** as is done for CHPs.

- **Work with States and Territories to incentivise fast-track approvals and density bonuses** for more affordable housing.

Background on BTR & Housing Market

BTR housing is purpose built, often institutionally owned and professionally managed private rental accommodation. BTR, can be considered to be as few as five apartments (eg. US multifamily),[viii] up to 50 or more dwellings (as in some Australian states). They can be apartments or free-standing housing, in single ownership, and often offering long term rental periods. Currently in Australia, BTR projects are whole-of-building apartment projects, but this is expected to change over time.

The BTR market is complementary to the build to sell (**BTS**) market and currently provides a niche offering of medium to high density housing in the premium end of the rental market. The majority of new housing remains overwhelmingly BTS. More work needs to be done in this space to facilitate the delivery of affordable housing.

BTR differs from private, individually owned rental properties in that it provides:

- access to a pool of long-term rental properties at significant scale;
- high standard amenities and services for renters including on-site concierge which is generally unavailable in private individual rental;
- rental stock in perpetuity (but in most cases circa 10-15 years).

Lucent Claremont by Celsius, Western Australia

Currently, most private BTR projects proposed in Australia are being targeted at the "premium" end of the rental market, with rental expectations that exceed the underlying median rent in a given area. It is not marketed as a solution to delivery of affordable rental at scale. Although there is no single nationwide definition, affordable BTR could be considered private market BTR projects that provide, in whole or in part, dwellings rented at 20-25% below market rents[ix] and/or where rental costs do not exceed (say) 30% of gross household income[x] (**Affordable BTR**). Some states require affordable housing to adhere to both definitions.

Only Community Housing Providers (CHPs) can currently consistently deliver affordable housing similar to Affordable BTR, due to access to incentives such as low interest government loans (e.g. NHFIC bond aggregator), GST/Stamp Duty/land tax concessions, and Government rental subsidies. Government incentives for affordable and social housing currently require the developer to be a Community Housing Provider (CHP)/Registered Housing Association (RHA) and/or a charity.

Currently there are only a handful of small, one-off Affordable BTR projects due to lack of government concessions, and there is minimal likelihood of this expanding without significant change and incentives.

Typically, BTR projects are held within a Managed Investment Trust (**MIT**), which allows any tax to be paid by investors directly, rather than the MIT (if it is run predominantly to derive rent). This is a tax efficient structure, favoured by long term international commercial/superannuation investors that the BTR developers need to fund such developments (often large sums in the $100's of millions).

The Federal Government's ability to intervene on affordable and social housing primarily relates to transaction/income taxes (e.g. MIT), the provision of financing to assist with the delivery of new developments (e.g. the NHFIC bond aggregator), subsidies for renters meeting defined eligibility criteria (Commonwealth Rental Assistance/CRA), and financial incentives to States and Territories in exchange for improvements to taxation, planning, city building/infrastructure & regulation. Previously, the Federal Government also offered incentives for privately-owned affordable rental by way of National Rental Assistance Scheme (**NRAS**), but this program has ended and the remaining NRAS housing will exit by June 2026.


Drift by Mosaic Property Group, Queensland

The Problem

Governments need to harness more diverse, market housing supply options like BTR to close the widening housing gap:

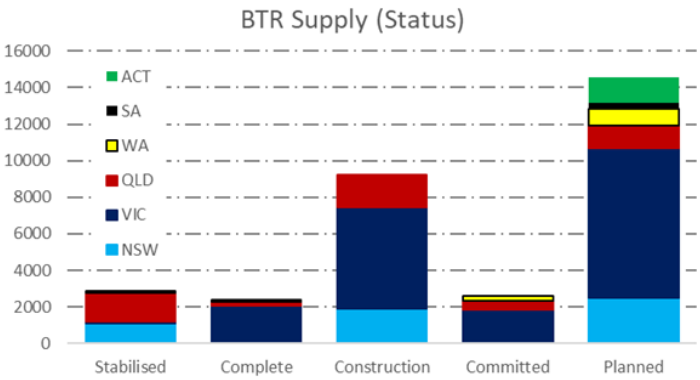
- Current housing shortfalls are circa **200,000 for at-market housing**[xii], **173,000 for affordable housing**[xii] and **102,883 for social housing**[xiii] .
- NHFIC in 2021 estimated the need for circa 31,000 social and 14,000 affordable homes per year alone, over the next 20 years[xiv].
- NHFIC also estimates further annual shortfalls of 20,000 at-market dwellings from 2025 onwards.
- Historically, an average of **just 8,500 affordable and social houses**[xv] **are built every year** by State and Federal Governments and CHP's. That is only an average of 3,000 net additional new dwellings after taking into account demolitions of aging housing. **See Appendix 1**.
- The Federal Government's Future Fund is planned to deliver some 30,000 houses over five years (6,000 pa), with an additional 4,000 pa from the Accord over five years – a positive step but not enough to cover the annual shortfall.
- NHFIC data estimates that it would cost around **$290 billion over 20 years**[xvi] for Australia to meet the shortfall in affordable and social housing alone.

BTR can be delivered by the development and construction industry at scale with implementation of reforms that level the playing field and accelerate development. Instead, the ability of the private market to deliver more housing in the form of BTR remains undermined by increasing taxes and greater cost burdens.

The Challenges with BTR

Australian BTR is still an emerging market with approximately 17,000 dwellings having been stabilised, completed, currently under construction or committed (with an allocated builder and financier). There are a further 14,500 dwellings having received planning approval or in the application phase[xvii]. There are only a handful of small-scale, one-off Affordable BTR projects. By comparison:

- the US market delivered over 280,000 BTR units per year across key US cities and is a trillion-dollar industry. It accounts for 25% of the US residential market.



Source: Colliers (as at November 2022)

- The UK market now has 237,000 BTR units either completed, under construction or in planning. It is the fastest growing sector in UK real estate expanding at 13% on an annual basis between Q2 2021 and Q2 2022[xviii].

The primary difference between the Australian market and the US and UK markets, is that the UK and US Governments invested heavily in incentives and grants to enable the BTR sector to grow. In addition, higher rental yields in UK and US compared to Australia have made it easier to find viable projects:

- **Residential Property yields in Australia are lower than UK and US** (typically 2 to 3% gross rental yield) per year on a private, individual rental due to:
  - » higher Australian building costs for labour and materials, transport logistics for materials and the smaller Australian market;
  - » the rental subsidy impact of negative gearing

Seasons, Mt Barker by Rivergum Projects, South Australia for individual taxpayers to offset rental losses. This results in much lower rents than the market otherwise can sustain. Without negative gearing, a higher gross rental yield is required to cover the costs of running and servicing a rental property. Negative Gearing maintains cheap rents by individual landlords and diverse housing options.

- **BTR projects need rental yield of circa 4.5% to 10% similar to a typical commercial MIT investment rental yield** in office, retail and industrial investments to attract commercial (domestic or international), investors necessary for the project to be viable.
- **At-market BTR projects will struggle to make sufficient rent to satisfy those hurdle rates** unless they offer rental accommodation that is a higher spec and a greater advantage to renters than a standard private individual rental. It is for this reason that BTR projects to date offer higher quality amenity/services and added value over and above a standard rental property, to attract the higher rental necessary.

These substantive difficulties for Australian BTR projects are further exacerbated by the supply challenges impacting housing across the spectrum – primarily a lack of development ready land, confused jurisdictional overlap, ineffective and slow planning systems, inequitable taxation and charges.

The provision of safe and adequate housing is a whole of community issue, not the sole responsibility of private developers. Nonetheless, the increasing "go-to" solution for State and Territory Governments is to look to the private development sector to "fund by stealth" new affordable and social housing. This includes concepts such as voluntary affordable housing requirements, social housing taxes/charges, planning restrictions and inclusionary zoning (**IZ**) etc.

The undesirable outcome of measures such as IZ is that ultimately those that can afford to purchase at-market housing, shoulder the burden of subsidising housing for those who cannot. This simply pushes the base price of new homes even higher, reducing the ability for more Australians to buy an at-market home in the first place and increasing the demand on the social/affordable housing sector. International experiences show that policies like IZ, without appropriate incentives and subsidies, actually reduce supply across the housing spectrum.

This makes viability of BTR projects even more difficult.

a) The Overseas Funding Experience

Other countries have grappled with the challenge of delivering BTR and affordable housing to their citizens for decades. Comparable jurisdictions have invested in vast programs to fund BTR and affordable dwellings that Australia simply is not matching. **The common denominator for successful initiatives is extensive, ongoing government funded programs, with a multi-decade effort required to see results.**

Both the UK and USA have successful, sophisticated, and well-capitalised BTR as well as affordable and social housing funding initiatives that have run for decades – and dwarf historical Australian efforts.[xix] In reality, in addition to any specific funding for at-market BTR, all of the affordable and social housing funding effectively supports US and UK projects we would consider Affordable BTR.

For example, (excluding rental subsidies), the US, Federal Low Income Housing Tax Credit (**LIHTC** - tradable tax credits in return for affordable housing), brings private investment into affordable housing construction and has been in operation since 1986. The US BTR market (known as multi-family residential), has financed roughly one third of all multi-family housing for a substantial period of its operation.[xx] The cost to Government is $5bn USD (circa $7.5bn AUD) **each year**. Historically LIHTC has enabled 78% of the projects to be privately funded.[xxi] Over one million affordable rental units have been financed by private investors incentivised by the longstanding LIHTC including over 100,000 new dwellings in 2020 alone.[xxii]

Equally, the US Freddie Mac financial institution financed $73.2 billion in loan purchase and guarantees for multifamily residential in 2017 alone.[xxiii]

According to UK House of Commons briefing papers, the UK spent the equivalent of $19.7bn AUD on delivering affordable houses between 2011-20 under the Affordable Homes Program (**AHP**) which will be extended by a further $16.15bn AUD from 2020-22 – and it is expected to be extended again by $19.55bn AUD until 2026.

An additional $5bn AUD was spent on affordable home loan guarantees for developers up to 2019 which is proposed to be extended to an additional $14bn AUD. $8bn AUD is spent on a home building fund for small builders.

Critically, since 2017 the UK has been spending 90% on demand side stimulus and a staggering $73.1bn AUD over 2016-2021 has been spent on homeownership shared equity, loans and guarantees in addition to the AHP and other supply side stimulus noted above.[xxiv] These are just some of the larger UK initiatives and is not an exhaustive list.

Over and above these significant numbers, the UK has changed planning rules to enable councils to proactively plan more BTR homes and make it easier for BTR developers to offer affordable private rent in place of other types of affordable homes. London on the other hand, has implemented a BTR fast track route through the planning system for proposals meeting minimum requirements for affordable. In addition, the UK Government adjusted their tax laws and legislation to facilitate BTR development which includes "re-basing" land valued for BTR developments, to reduce future capital gains tax.[xxv]

These programs are orders of magnitude higher than the Australian spend on affordable and social housing or BTR. It gives insight into the depth of the funding Australia needs to commit on an ongoing basis to close the

b) Inclusionary Zoning (IZ)

Overseas

Overseas experience also provides valuable lessons on interventionist planning measures like IZ. IZ requires developers and CHPs to build a proportion of affordable housing in their projects with concessions to cover the market discount funding gap. Both the US and UK have used IZ for years and have created significant affordable housing stock, but these countries do not rely on IZ to deliver most affordable and social housing (as the above program outline demonstrates).

Not all jurisdictions can be directly compared. The vastly different UK planning system means the UK is not comparable to Australia nor the US. In the UK, zoned use value uplift occurs upon development approval for a site, so UK IZ costs are factored in and concessions are used to cover any remaining funding gap - including subsidies, direct funding by other coordinated initiatives or generous planning rules/tax cuts. In Australia and the US, zoned use value uplift occurs when planning rules change, increasing prices ahead of any IZ policy, making concessions more costly and increasing risk that IZ undermines affordability.

The US highlights that IZ must be properly and consistently operated with concessions to cover the funding gap, or it makes problems far worse, including: Slowing down construction and driving up prices – through complex processes and cross subsidy of other housing to make up cost deficits.

- Stopping developments altogether – inappropriate policy rendering developments unviable.
- Reducing overall delivery of housing in an area – freezing development altogether in regions with weaker housing markets (lower price/demand or increasing costs) or stalling development of land with inappropriate IZ policies.

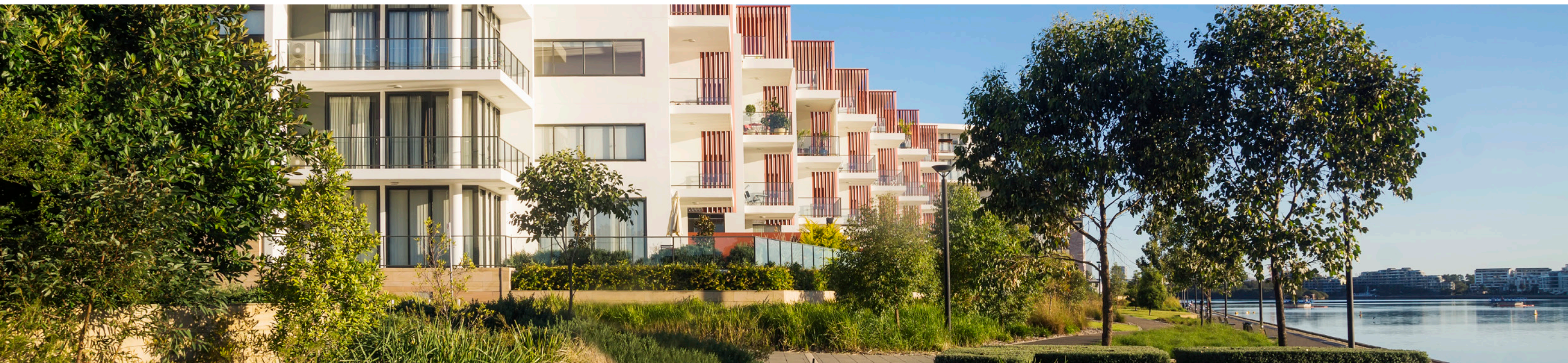
Critically, AHURI studies in 2022 show that an unpriced IZ of 20% affordable housing transferred at cost to a CHP, would devastate the viability of an Australian development project. It results in a funding gap of between 20.4 and 44.4% required to support the development.

Equally, IZ policies implemented before rezoning still run the risk of holding back development where landholders refuse to factor in the cost of IZ into selling prices – effectively, the rezoned land does not get developed.

For Australia, US experience also shows that where the risks are properly navigated, IZ only provides a marginal increase in Affordable Housing, and nowhere near the 45,000 affordable and social houses we need each year over the next two decades.

To put this in context, at a 10% IZ rate, Australia would need to build 450,000 dwellings every year – 2.25x the current capacity of the whole housing development sector. It is not a feasible, long term, housing strategy.

We need comprehensive BTR initiatives that are funded by Federal, State and Local government.



c) Tax, Planning and Incentive Barriers

The BTR market is also being held back by several factors:

- **Current tax laws.**
  - **GST** - GST treatment is inequitable for BTR:
    - » For BTR property, (unlike at-market Build to Sell - BTS), all GST paid in developing the property and purchasing the land is unable to be claimed during the build of the property (input credits) and any rental will not attract GST. A BTS project has a reduced cost burden of 9.09% over a BTR project - On a $110m development (where all $110m inputs are subject to GST), the BTS developer will only have to fund $100m. A BTR operator will have to get funding of the extra $10m which is up to an extra (10%) burden during the development.
    - » As interest rates increase, this burden will make BTR less viable due to extra finance costs incurred. Banks will also be required to underwrite projects for a much longer period through rental income – say 5 to 10 yrs. Banks do not face the same risk financing BTS developments where the money is returned once sold and settled over 18-24 months.
    - » It should be noted that this is the intended operation of GST for rental (input taxed), projects and sales (GST taxable), projects. However, as interest rates increase there is increasing disadvantage for BTR over BTS.

- **MIT Withholding Tax (WHT)** - WHT is a flat percentage tax payable by international investors on Australian sourced income. The MIT WHT rates should be reduced to attract MIT investors to affordable housing and level the playing field for at-market BTR:
  - » At-market MIT BTR investors must pay 30% WHT when commercial MIT competitors pay 15%, making it harder to attract critical international investment at scale in residential property projects;
  - » Affordable MIT BTR investors pay 15% WHT, and this rate should be lowered to attract at-scale international investors who are familiar with funding large investments in affordable housing.

- **Lack of incentives for Affordable BTR.**
  - » Concessional Federal loans for affordable housing (eg NHFIC bond aggregator) is limited to CHP's and not available to Affordable BTR, despite providing the same affordable outcome for Government.
  - » Current Federal, State and Territory Government incentives for CHPs include GST concessions, land/funding grants, bond aggregator loans at discount rates, land tax/surcharge exemptions, stamp duty exemptions which are not available for Affordable BTR, despite providing the same affordability outcomes. See **Appendix 2** for the full breakdown comparison of incentives.

- **State Planning Policies for BTR.**
  - » At-market BTR and Affordable BTR have unique building and planning requirements due to the size and complexity of the designs. The process can

often be delayed as a result of increasing costs and threatening viability.

» The scale of BTR projects, and being in single-ownership, means they attract higher rates and land tax bills (rates) than smaller individual rental property owners, further exacerbating the holding cost burden.

The lopsided rules for at-market BTR and Affordable BTR have stopped Australia from utilising the full capacity of private developers to deliver housing at higher scale with more affordable and social housing.

Removing the barriers noted above for at-market BTR will help deliver at-scale housing for ordinary Australians and does not interfere with CHP or private BTS developers. Direct funding or land grants would be at the discretion of Governments where significant scale or unique project features are required.

In relation to Affordable BTR in particular, it is clear Government and CHP's alone will be unable to provide the 45,000 affordable and social houses each year that are needed (much less the housing shortfall for the rest of Australia). The private development market needs to be engaged on this problem by incentivising Affordable BTR. This will:

1. Grow the capability of Government to close the housing shortfall.
2. Provide increasing opportunities for CHPs to grow their capacity without expending significant capital or taking development risk.
3. Create scope for partnering with CHP's to develop larger at-scale builds.
4. Allow Government to extend the reach of existing affordable housing funding sources as private developers bring capital from the wider market into projects.

Both CHP's and private developers must make a return on any affordable housing project. Arguably, while CHP's do not need to provide returns to shareholders, they also typically require Government funding support as either, direct funds for equity, or discounted loans guaranteed by Government (or both).

If Governments were able to fully fund CHPs to deliver the 45,000 houses needed per year, it would be the most direct strategy, although specific project funding is not the most efficient use of capital. UDIA National supports ongoing, annual Government funding of CHPs for affordable and social housing.

Unfortunately, Government does not have anywhere near the $290 billion needed over 20 years, and the CHPs do not have the capacity alone to build at scale equivalent to 45,000 houses annually. In the meantime the problem worsens without private market involvement.

Private developers have the skills to manage at-scale development risks, the capacity to build large projects and the ability to leverage private and institutional capital complex projects.

Where Government harnesses the private development market to deliver at-scale Affordable BTR, most of those projects will inevitably involve partnerships with CHPs to manage an expanded affordable housing portfolio. CHPs will grow. In effect, Government will be sharing the burden of the $290 billion price tag by incentivising private Affordable BTR development to leverage capital, without pushing cost burdens on to consumers.

Ideally, incentives to the private development market for Affordable BTR, should be designed to ensure private developers leverage market capital for large scale projects, that CHP's otherwise find difficult to deploy. Additional direct funding is then at the discretion of Governments and agencies on a project basis or where private market is delivering Affordable BTR that cannot easily be done by CHPs themselves.

In all circumstances, the CHPs activities are supported and enhanced by this approach.

The UDIA Position – Incentivise BTR to close the Gap

The following suite of BTR policies could be adopted to boost scale housing supply across at-market and affordable housing.

General Principles

- The UDIA recommendations are designed to be readily implemented as a part of the Government's National Housing Accord.
- UDIA supports ongoing expansion of affordable and social housing by CHPs and Government. Our BTR policies complement and enhance existing efforts, and will increase CHP participation through:
  - Joint development with the private sector.
  - Use of CHPs to manage and operate affordable aspects of BTR projects.
- Affordable housing for these policies is regarded as any rental of property at a 20-25% discount to market at least.
- Any incentives or concessions (bar planning incentives), apply to only that proportion of a project that is affordable housing.
- Federal Government should use the Future Fund or NHHA to incentivise any changes to state-based taxes, incentives or planning rules.

Limit Reliance on Inclusionary Zoning (IZ) and No New Property Taxes

- Government **cannot** deliver affordable and social housing through inclusionary zoning **after** land purchase, nor by increasing property-only taxes because:
  - Property taxes including developer-focused charges already comprise over 40% of new housing costs and seriously impact affordability.
  - Both unpriced IZ and extra taxes increase the cost of at-market housing, renting and home ownership,

- IZ use should be **limited** to only circumstances where:
  - The impact of IZ is priced into the land before major zoning changes and before land is purchased by developers (such as government owned land sales) – with incentives to prevent adverse cost burdens to the housing market; or
  - Government is selling its own land for housing development – creating no cost impact to the market, because unlike private landowners, government can deliberately choose to discount land value in exchange for an affordability outcome.
  - The land holder should be able to elect to make a financial contribution in lieu of delivery of affordable housing (at a pre-set cost based on dwelling type), to a fund that will allow the affordable housing to be built by Government elsewhere.
- IZ should be **prohibited** as a distortionary measure that creates adverse affordability impacts where:
  - Land is already zoned for development.
  - Land is already owned by a developer or earmarked for housing development.
  - Land that has an anticipated residential rezoning – much of the anticipated rezoning will already be priced into the land.
  - Council or Government attempt to otherwise unilaterally change IZ concessions for a development approval – the imbalance of bargaining power jeopardises IZ concessions covering the funding gap.

by creating the need to cross-subsidise dwellings for sale against Affordable housing "gifted" to Governments or CHPs. This erodes affordability across the spectrum by making at-market housing more expensive, harder to sell, and pushing more people into Government-supported housing as rents and prices increase. It also negatively impacts the private industry's ongoing ability to deliver affordable housing.

Fix the legislation impeding BTR

- **Align GST for BTS and at-market BTR** - Provide at-market BTR with the same effective GST treatment as BTS by allowing at-market BTR projects to claim GST back during development (like BTS). Once development is complete, it is paid back over 5-10 years. This effectively removes the cost impact on the initial development. This will ensure at-market BTR developments do not have a greater cost and finance burden during development than BTS.

- **Reform MIT WHT** - The Federal Government's MIT WHT rules should be changed:
  - Reduce Affordable BTR MITs WHT from 15% to 10% to attract at scale investment into affordable housing. This will ensure Affordable BTR will have a greater chance of attracting critical sophisticated, scale, international investors.
  - Reduce at-market BTR MIT WHT from 30% to 15% in line with other MIT investment structures. This will ensure at-market BTR is not competitively disadvantaged compared to all other commercial MIT investments.
- **Reform BTR land tax** - The land tax for BTR projects is discounted by 50% in some states and territories whereas others do not discount. The Federal Government should incentivise the States and Territories to harmonise land tax for at-market BTR projects that provide supply into the market. Alternatively, exempt BTR from land tax across all states given that this reform increases the affordability of dwellings and does not disadvantage at-market developers, nor the vast majority of private individual rental landlords.
- **Exempt BTR from Land Tax and Stamp Duty Surcharge** - The Federal Government should incentivise the States and Territories to provide BTR projects with uniform outright exemptions for Foreign Investor Surcharge Land Tax and/or Stamp Duty, where it is currently applicable. This would prevent penalising organisations that are delivering housing supply into the market. It also obviates the need for exemption application in those jurisdictions that do offer exemption for large scale projects that contribute economically to housing supply. Most states/Territories currently charge Foreign investor surcharges for Land Tax and Stamp Duty increasing taxes on BTR groups with majority foreign investors.

KubUnity by Paul Michael Property Ventures, Queensland

Incentivise BTR

- **Reduced Infrastructure Contributions** – Development projects pay a significant amount of infrastructure contributions and development taxes to both Councils and State Governments – equating to up to 54% of a greenfield lot. Governments could reduce the infrastructure contributions a BTR developer pays, in exchange for additional housing under an at-market or Affordable BTR project.
- **Aligning Affordable BTR with CHP Incentives:** –The Federal Government (in concert with States and Territories) should:
  - provide private Affordable BTR projects the same GST free concession, land grants, discounted Bond Aggregator loans and funding incentives as available to CHP projects. In the case of discounted Bond Aggregator loans, these can be tailored to encourage projects at significant scale that CHP's otherwise find difficult to deliver.
  - incentivise state and territory Governments to provide Affordable BTR projects the same concessions across state/territory tax, planning, land and funding incentives as CHP projects.
- State Governments should provide Affordable BTR developers, with the same tax-free concessions for land tax, stamp duty (+ surcharges) and Council rates as CHP's.
- Both CHP affordable projects (rent or sell) and developers selling affordable product to the market, achieve the same outcome but CHP-like exemptions are not available to private developers. See Appendix 2 for the full breakdown comparison of incentives.
- **More Community/Private partnerships** – NHFIC be given expanded scope to establish itself as a private partnership interface with CHPs to ensure more affordable housing projects are built with BTR developers as mixed affordable/at market dwellings and create diverse funding from the private market.

A New NRAS-Like Scheme to boost affordable housing

- A Scheme to provide incentives to cover the funding gap and harness private market investment in Affordable BTR, dovetails with the goals of Government's Accord.
- AHURI studies show, it is well accepted that NRAS-like tax subsidies can leverage private investment in new affordable housing supply.[xxvi] The Federal Government should develop an NRAS-like scheme that gives federal rental incentives to CHPs and/or private organisations to build at-scale housing developments that rent at least at a 20-25% discount to market. The original NRAS scheme had both Federal and state/territory contributions to the incentive, had a refundable tax offset (**RTO**) and delivered circa 28,000 new dwellings and the last dwellings will exit the scheme in 2026[xxvii]. Specifically, a New NRAS-like scheme would include:
  - No requirement that affordable housing be delivered by a charity/CHP specifically, to ensure diverse project origination. All participants would otherwise conform to regulations like the CHP's.
  - The scheme would incorporate both the "20-25% discount to market" and "no more than 30% of income" definitions for affordable housing. The funding per dwelling should be as an RTO, indexed to CPI and step-based on the type and size of dwelling provided (i.e.: bedrooms, square metres) and location based on median rents.
  - Tenant eligibility requirements should follow existing criteria for identifying low- and medium-income families under affordable housing criteria, and/or eligible key workers.
  - Scheme to remain in place for at least 10-15 years to give investors comfort that it will not be disbanded (a key issue that delayed NRAS investment), and match investment span for many superannuation and mutual fund investors.

  - CHPs where feasible, are to manage the tenancies as dwellings under management.
- UDIA analysis shows that (by way of example), using the annual interest from the proposed $10bn Future Fund could support the delivery of up to approx 38,850 affordable houses or up to approx 34,688 social and affordable houses. It would be a fundamentally improved opportunity for the Federal and state/territory Governments to deliver what is needed to close the housing gap. (See Appendix 3)

Government Loans and Grants for projects with a substantial proportion of affordable housing

- **Federal Discount Loans Expanded** - The Federal Government can open up the NHFIC bond aggregator discounted loans to Affordable BTR (in proportion to its percentage of the overall project), as they do for CHPs, because they achieve the same affordability outcome. While a CHP charity must re-invest profits in affordable housing and private developers do not, Government could provide loan criteria that ensure affordable rental for 10+yrs under a CHP service provider (ie if there is not a CHP owner of the property).
- **Grants and loans for private Affordable Housing** - All Governments should provide loans or grants for funding Affordable BTR (in proportion to the affordable dwelling percentage of the project), as they would for CHP projects. This will allow government to incrementally finance multiple projects to boost affordable housing.
- **Extend Government grants for sites** – All Governments should provide their own land to BTR projects to fast track development at scale in both at-market and affordable space. This can revert to Government at the end of 10-15yrs or on-sold to the market.

Improved Planning

- **Fast Track Approvals for BTR** - It can take up to seven years for a development to go from zoning to the first dwelling. This holds back supply of all housing and accelerates costs. Governments should fast track approvals for BTR projects. This will introduce greater scale quickly to the market.

- **Density Bonuses for BTR** – Government can incentivise at-scale market housing and BTR in particular by offering additional density bonuses (additional floor space, height or reduced lot size) in return for increased affordable housing.
- **Equalise Planning Controls/concessions with CHPs** – As a principle, affordable BTR projects should have the same planning controls, bonuses and planning concessions that are otherwise provided to CHP projects, in recognition that they achieve the same result.
- **BTR Pilot Programs** - Federal, State and Territory Governments should develop programs to partner with private developers to help kick-start the sector. There are examples of this being done in some states where developers have submit for potential BTR JVs that include affordable housing as part of the developments.

A New LIHTC-like tradable tax credit to generate equity/bank funds from the private market

The US Low Income Housing Tax Concession (**LIHTC**) could be applied in Australia to help private and CHP developers build affordable housing either as part of an NRAS-like scheme or to any other tax incentives. In exchange for delivering affordable housing (with 10-year covenants), the Federal, State/Territory Governments can provide taxation credits that can be applied against Company Tax, Capital Gains Tax and possibly other State based taxes (Payroll, Land Tax):

- The tax credits are tradeable to anyone upon allocation so they can be used to generate equity as direct investment into new affordable housing projects and get projects started a lot sooner (i.e. the upfront equity or presale requirement for the bank funding are no longer a hurdle).
- The concession should be calculated as a dollar amount per affordable dwelling proportionate to the type of new dwellings, tenure type (number of bedrooms) and location.
- It is indexed to CPI at regular intervals (in the first year and every three years thereafter), to keep in line with private rental markets.
- It will be for large scale investment in affordable housing not simply individual or duplex dwellings (reflecting the approach of NRAS) – to attract institutional investment participation.
- CHPs would be required to provide tenancy and wrap around services but not build the affordable housing (where it is rented) – critical to grow CHP participation.

Appendix 1 – Government Annual delivery of Affordable and Social Housing.

The table below indicates that the social housing created by Government and CHPs sits somewhere in the range of a net growth of circa 3,000 dwellings p.a. (Source: Australian Institute for Health & Welfare).

Social Housing - All Programs

	Major City	Inner Regional	Outer Regional	Remote	Very Remote	Not Stated/unk	TOTAL	YoY Change	YoY Change %
2014	288,090	68,229	40,630	8,878	9,143	2,952	417,922		
2015	289,137	67,945	41,044	8,900	10,225	1,495	418,746	824	0.2%
2016	293,543	69,150	40,510	8,659	10,325	3,490	425,677	6,931	1.7%
2017	294,886	69,743	40,622	9,096	10,141	9,278	433,766	8,089	1.9%
2018	296,750	70,903	40,315	8,992	14,083	3,459	434,502	736	0.2%
2019	297,531	70,967	39,661	9,328	14,495	4,268	436,250	1,748	0.4%
2020	296,623	70,694	38,811	9,221	14,362	4,279	433,990	- 2,260	-0.5%
2021	299,766	71,653	39,153	9,317	14,380	4,297	438,566	4,576	1.1%
						Average YoY Change 2014-21		***2,949***	***0.7%***

Community Housing

	Major City	Inner Regional	Outer Regional	Remote	Very Remote	Not Stated/unk	TOTAL	YoY Change	YoY Change %
2014	44,960	16,415	7,009	734	504	1,414	71,036		
2015	46,287	17,357	7,311	697	477	1,492	73,621	2,585	3.6%
2016	52,125	18,666	7,322	697	488	928	80,226	6,605	9.0%
2017	53,518	18,916	7,256	739		1,998	82,427	2,201	2.7%
2018	58,019	19,506	7,449	748		1,597	87,319	4,892	5.9%
2019	63,047	25,346	8,649	734		2,045	99,821	12,502	14.3%
2020	66,176	25,346	8,727	860		1,974	103,083	3,262	3.3%
2021	70,029	26,583	8,962	865		1,650	108,089	5,006	4.9%
						Average YoY Change 2014-21		***5,293***	***6.2%***

Source: AIHW

The second table shows nationally, between 2014 and 2021 the stock of Community housing, has grown by annual average of 5,293 dwellings – we note this number has been skewed upwards by a spike in transfer of Government housing transfers in 2019, so it is likely to be somewhat lower on average (Source: Australian Institute for Health & Welfare).

There is currently an average capacity of circa 8,500 new affordable and social housing dwellings being constructed/supported nationally. That however is only 3,000 net additional dwellings added to the national stock after taking into account demolitions of ageing housing (ABS; AIHW; AHURI). This is clearly well short of the demand of 45,000 dwellings pa the 2021 NHFIC review has identified.

With the Federal Government's new initiatives, we would expect an additional boost of affordable and social supply. Some affordable housing initiatives do not confirm what will be delivered year on year. The Future Fund however is expected to deliver 6,000 dwellings pa with the Accord delivering 4,000 pa. Reasonably, we can estimate Government(s) and CHP's will be able to deliver in the order of 19,000 dwellings per year for affordable and social housing incorporating the current provision of circa 8,500 dwellings based on existing incentives and the estimated 10,000 pa from the Future Fund and Accord - still well down on the affordable and social housing needed, year on year.

Appendix 2 – Outline of Federal, State and Territory Government Tax Assistance.

A snapshot of the existing incentives across Federal, State and Territories for affordable and social housing compared to private at-market and affordable Build to Sell and Build to Rent. There is a clear gap between both the affordable Build to Rent space and the affordable Build to Sell space compared to CHP affordable Rental.

Developer/Investor Incentives (excluding renter concessions)

At mkt B to Sell	At mkt B to Rent	Afford^ B to Sell	Afford^ B to Rent	CHP Afford Rental
General Comments				
Private owner	Private rental	Private Afford Sale	Private Afford Rent	Community Rental
No established land/ fund grants	No established land/ fund grants*	No established land/ fund grants*	No established land/ fund grants*	land/fund grants*
First homeowner grants No Concessions	Very limited concessions	First homeowner grants No Concessions	Very limited Concessions	Govt Concessions
Federal Rules				
GST Credits back GST on sale	GST no credits back GST free on rent	GST credits back GST on sale	GST no credits back GST free on rent	GST credits back GST free on rent
MIT WHT 30%	MIT WHT 30%	MIT WHT 15%	MIT WHT 15%	MIT WHT 15%^^^
No Bond Aggregator	No Bond Aggregator	No Bond Aggregator	No Bond Aggregator	Bond Aggregator*
No depreciation or building write off	Depreciation and building write off	No depreciation or building write off	Depreciation and building write off	Depreciation and building write off
No depreciation or building write off				
stamp duty paid	stamp duty paid	stamp duty paid	stamp duty paid	stamp duty exempt*
land tax typically paid^^	land tax 50% paid** for BTR (otherwise typically fully paid) but not if one dwelling under threshold.^^	land tax typically paid^^	land tax 50% paid**	land tax exempt*
land tax surcharge paid* (unless exemption qualified)	land tax surcharge refund^*	land tax surcharge paid*(unless exemption qualified)	land tax surcharge refund^*	land tax surcharge exempt*
Purchaser duty surcharge paid* (unless exemption qualified)	Purchaser duty surcharge refund^*	Purchaser duty surcharge paid* (unless exemption qualified)	Purchaser duty surcharge refund^*	Purchaser duty surcharge exempt*
Rates payable	Rates payable	Rates payable	Rates payable	Rates exempt*

^ Private non-charity developer/provider. *Fed or State and Territory dependent. ** NSW, Vic, SA, WA. ^* QLD, NSW, Vic.
^^ Developer will pay land tax if the site is held longer than a year. ^^^ CHPs currently do not use MIT structures but would incur 15% WHT

Appendix 3 – Example: New NRAS-like Housing Delivery under the Future Fund.

UDIA Scenario analysis shows that, the annual interest from the $10bn Future Fund can deliver up to 38,850 affordable houses or up to 34,688 social and affordable houses (if we relax the Government ratio of delivery for affordable to social housing).

In reality, an NRAS-like scheme at state/federal level would take into account numerous variables when determining the appropriate incentives – these are indicative incentives. This simple scenario analysis below demonstrates how you can best use incentives to boost the reach of each Government dollar.

In summary the tables below show the HAFF Funding under an NRAS-like approach can harness CHPs and private housing providers to deliver:

1. **38,850 dwellings** if focussed only on affordable housing (cheaper subsidy). Maximum delivery.
2. **28,546 affordable and social dwellings** using the Government preferred 2/3 social and 1/3 affordable housing.
3. **31,913 affordable and social dwellings** using a 50/50 affordable and social housing funding model.
4. **34,688 affordable and social dwellings** using a 70/30 split to ensure it is more likely social housing can be included in mixed tenure buildings with affordable housing (NB: some states have a 30% limit on social housing in a single building).

Option 3 represents the highest number of social and affordable housing achievable (while still providing a substantial amount of social housing).

CRITICAL NOTE: This analysis assumes a perfect world for delivery of housing and stable construction costs – there are considerable headwinds impacting this assumption:

- Build cost escalations (30% increase since covid in 2019);
- Ongoing skills shortages;
- Lack of development ready land (unless the private sector can be the originator); and
- Slow and cumbersome planning processes.

a) Assumptions

1. The Housing Australia Future Fund (HAFF) funding of $10bn will derive a base annual interest return of 5% (2.5% CPI and 2.5% interest).
2. The $500m HAFF interest pa will be used to pay investment returns on private investor loans of an equivalent amount - $500m pa towards affordable and social housing by covering the funding gap like NRAS previously (Availability Payments).

The Availability Payment will be different for affordable housing and social housing. Data from CHPs and Affordable Housing developers indicate that Affordable Housing rental broadly represents a 45% discount to market (but CHP's indicate it could be as high at 55% discount to market rent), and Social Housing rental broadly represents a 70% discount to market. This is because there are two operational definitions of Affordable Housing in some states – Housing rent/

sales must be discounted by 20-25% to market AND rental/mortgage also cannot be more than 30% of household income. The additional "30% definition" means the discount is often greater than 25% in reality for affordable housing.

This means a median national rental of $550pw would subsidise an affordable renter by $248 and subsidise a social renter by $385.

NB: Social housing also has the max 30% income check as well as other criteria also (including but not limited to asset tests, income earned, source of income etc).

3. The scenarios test the optimal ratios of affordable and social housing for greatest number of dwellings to achieve affordable and social housing outcomes.

b) The Scenarios

i) AFFORDABLE HOUSING ONLY

This scenario identifies the maximum housing amount of affordable housing alone, delivered for $500m pa. In summary the scenarios below show the HAFF Funding.

Scenario 1. Affordable Housing Dwellings Supported through NRAS Type Rental Subsidy Scheme using Total Future Fund Annual Interest **- Affordable only**	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt	$500,000,000
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	45%
Weekly Rental Subsidy	$248
Annual Rental Subsidy	$12,870
Annual Volume of Dwellings Supported	**38,850**

II) GOVERNMENT'S MANDATED 1/3 AFFORDABLE, 2/3 SOCIAL HOUSING

This scenario identifies the maximum housing that can be provided under government's preferred ratio of social and affordable housing.

A 1/3 to 2/3 split of funding results in more affordable housing than the expected 10,000 dwellings and less than the necessary social and affordable housing - total of 29,600 dwellings.

If you limit affordable housing to 10,000 dwellings the additional freed up funds from 2,950 affordable dwellings ($37.97m) will convert into 1,896 more expensive social dwellings (18,546 social dwellings in total).

This reduces overall housing delivered to 28,546 affordable and social dwellings.

Scenario 2. Affordable Housing Dwellings Supported through NRAS Type Rental Subsidy Scheme using One Third Future Fund Annual Interest	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (1/3)	$166,666,667
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	45%
Weekly Rental Subsidy	$248
Annual Rental Subsidy	$12,870
Annual Volume of Dwellings Supported	**12,950**

Scenario 2. Social Housing Dwellings Supported through Rental Subsidy using Two Thirds Future Fund Annual Interest	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (2/3)	$333,333,333
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	70%
Weekly Rental Subsidy	$385
Annual Rental Subsidy	$20,020
Annual Volume of Dwellings Supported	**16,650**

2. Total Affordable and Social Supported using Annual Interest on Future Fund - 1/3 Affordable, 2/3 Social	
Annual Affordable Dwelling Support (Gap Subsidy: 45%)	12,950
Annual Social Dwelling Support (Gap Subsidy: 70%)	16,650
Total Annual Dwelling Supported	**29,600**

2. Total Affordable and Social – Limiting Affordable to 10,000 dwellings & using extra funding for social	
Annual Affordable Dwelling Support (Gap Subsidy: 45%)	10,000
Annual Social Dwelling Support (Gap Subsidy: 70%)	18,546
Total Annual Dwelling Supported	**28,546**

III) EVEN SPLIT 50% AFFORDABLE AND 50% SOCIAL HOUSING

This scenario identifies the maximum housing that can be provided as a social and affordable mix that still gets close the overall target of 30,000 dwellings.
The even split provides 19,425 affordable houses and 12,488 social houses – a total of 31,913.

Scenario 3. Affordable Housing Dwellings Supported through NRAS Type Rental Subsidy Scheme using half Future Fund Annual Interest - 50/50 Affordable and social	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (1/2)	$250,000,000
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	45%
Weekly Rental Subsidy	$248
Annual Rental Subsidy	$12,870
Annual Volume of Dwellings Supported	**19,425**

Scenario 3. Social Housing Dwellings Supported through Rental Subsidy using half Future Fund Annual Interest - 50/50 Affordable and social	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (1/2)	$250,000,000
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	70%
Weekly Rental Subsidy	$385
Annual Rental Subsidy	$20,020
Annual Volume of Dwellings Supported	**12,488**

3. Total Affordable and Social Dwellings Supported using Annual Interest on Future Fund 50/50 Affordable & Social	
Annual Affordable Dwellings Support (Subsidy: 45%)	19,425
Annual Social Dwellings Support (Subsidy: 70%)	12,488
Total Annual Dwelling Supported	**31,913**

IV) 70% AFFORDABLE AND 30% SOCIAL HOUSING

This scenario identifies the maximum housing that can be provided as a social and affordable mix that allows all social housing to be part of a mixed affordable development in states where there is a max 30% restriction on social housing concentration in new development.

The split provides 27,195 affordable houses and 7,493 social houses – a total of 34,688 dwellings.

Scenario 4. Affordable Housing Dwellings Supported through NRAS Type Rental Subsidy Scheme using 70% Future Fund Annual Interest - 70/30 Affordable and social	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (70%)	$350,000,000
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	45%
Weekly Rental Subsidy	$248
Annual Rental Subsidy	$12,870
Annual Volume of Dwellings Supported	**27,195**

Scenario 4. Social Housing Dwellings Supported through Rental Subsidy using using 30% Future Fund Annual Interest - 70/30 Affordable and social	
Future Fund - Interest Rate Benchmark	5%
Future Fund - Annual Interest Earnt (30%)	$150,000,000
Weighted Capital City Weekly Rental Average (houses)	$550
Rental Subsidy Scenario	70%
Weekly Rental Subsidy	$385
Annual Rental Subsidy	$20,020
Annual Volume of Dwellings Supported	**7,493**

4. Total Affordable and Social Dwellings Supported using 5% Annual Interest on Future Fund 70/30 Affordable & Social	
Annual Affordable Dwellings Support (Subsidy: 45%)	27,195
Annual Social Dwellings Support (Subsidy: 70%)	7,493
Total Annual Dwelling Supported	**34,688**

Endnotes

[i] Del Bon, N (2020), State of the Nation's Housing 2020 National Housing Finance and Investment Corporation,2020, p21.

[ii] Gurran N, Hulse K, Dodson J, Pill M, Dowling R, Reynolds M, Maalsen S, (2021) Urban productivity and affordable rental housing supply in Australian cities and regions, AHURI Report 353, March 2021 p 1.

[iii] Meeting Social Housing Need A Tipping Point for Federal Intervention, Compass Housing, August 2021, p3.

[iv] Leptos C, (2021), Statutory Review of the Operation of the National Housing Finance and Investment Corporation – Final Report, Australian Government, 13 August 2021, Appendix 1.

[v] ABS; AIHW; AHURI

[vi] Leptos C, (2021), Statutory Review of the Operation of the National Housing Finance and Investment Corporation – Final Report, Australian Government, 13 August 2021, Appendix 1.

[vii] The fact that no one sector can address the need alone is supported by AHURI see Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p2 & Lawson J, Pawson H, Troy L, Van Den Nouwelant R, Hamilton C, (2018) Social Housing as infrastructure: An investment Pathway, AHURI Final Report 306, 2018.

[viii] Pawson H, Martin C, van den Nouwelant R, Milligan V, (2019) Build-to-Rent in Australia: Product Feasibility and potential affordable housing contribution, Landcom July 2019 p 31.

[ix] See www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/how-are-affordable-housing-rents-set#:~:text=How%20are%20affordable%20housing%20rents%20set%3F%20Affordable%20housing,rent%20for%20a%20similar%20property%20in%20the%20area. See also for example, the GST act determines affordable housing rental as 25% discount to market rents. However, the NSW State Environmental Planning Policy (Affordable Rental Housing) (ARHSEPP), introduced in 2009, provides density bonuses to projects with affordable housing, that delivers affordable rent to eligible households not exceeding 30% of gross household income OR up to 80% of market rent. See also, Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p43

[x] See also for an example www.facs.nsw.gov.au/housing/help/ways/renting-affordable-housing or www.housing.sa.gov.au/about-us/our-partnerships/affordable-housing

[xi] Del Bon, N (2020), State of the Nation's Housing 2020 National Housing Finance and Investment Corporation,2020, p21.

[xii] Gurran N, Hulse K, Dodson J, Pill M, Dowling R, Reynolds M, Maalsen S, (2021) Urban productivity and affordable rental housing supply in Australian cities and regions, AHURI Report 353, March 2021 p 1.

[xii] Meeting Social Housing Need A Tipping Point for Federal Intervention, Compass Housing, August 2021, p3.

[xiv] Leptos C, (2021), Statutory Review of the Operation of the National Housing Finance and Investment Corporation – Final Report, Australian Government, 13 August 2021, Appendix 1. Note AHURI shortfall estimates sit at 36,000

dwellings pa, based on 2018 data, see Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p2 and p8

[xv] ABS; AIHW; AHURI

[xvi] Leptos C, (2021), Statutory Review of the Operation of the National Housing Finance and Investment Corporation – Final Report, Australian Government, 13 August 2021, Appendix 1.

[xvii] Colliers (as at November 2022)

[xviii] British Property Federation

[xix] See also Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p2

[xx] Ibid p26.

[xxi] Benedict R, (2020), Potential private sector roles in affordable housing supply in Australia: working in collaboration across sectors, The University of Sydney, Feb 2020, p25.

[xxii] Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p2

[xxiii] Ibid p26.

[xxiv] Benedict R, (2020), Potential private sector roles in affordable housing supply in Australia: working in collaboration across sectors, The University of Sydney, Feb 2020, p28.

[xxv] Ibid p29-31

[xxvi] Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p32.

[xxvii] See also, Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S, Liu S, (2022) Private Sector involvement in social and affordable housing, AHURI Final Report 388, October 2022, p22.

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