



Community Housing – How it Works and Why it Matters

1 September 2021

(Meeting) Housing Need in NT



Community Housing
INDUSTRY ASSOCIATION

Need calculation uses Census data 2016 and rental levels and

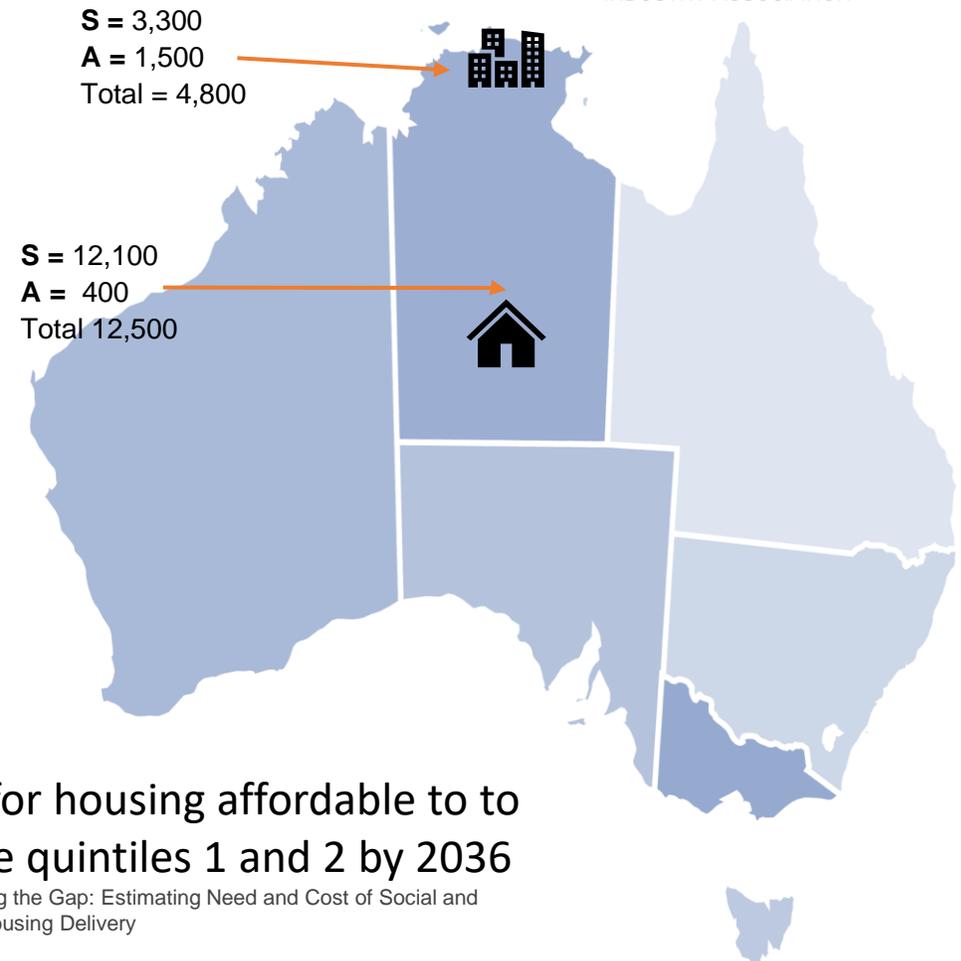
- Excludes anyone in the moderate income category (Q3)
- Only includes those paying 30% plus of income in rent or homeless

Estimated funding gap (urban / regional) of between \$6,200 and \$11,400 pa - after factoring in CRA

Assumes existing social housing fit for purpose

Circa 1050 NRAS incentives expire between 2021 and 2025

Costs offset by benefits - SA4 Outback NT



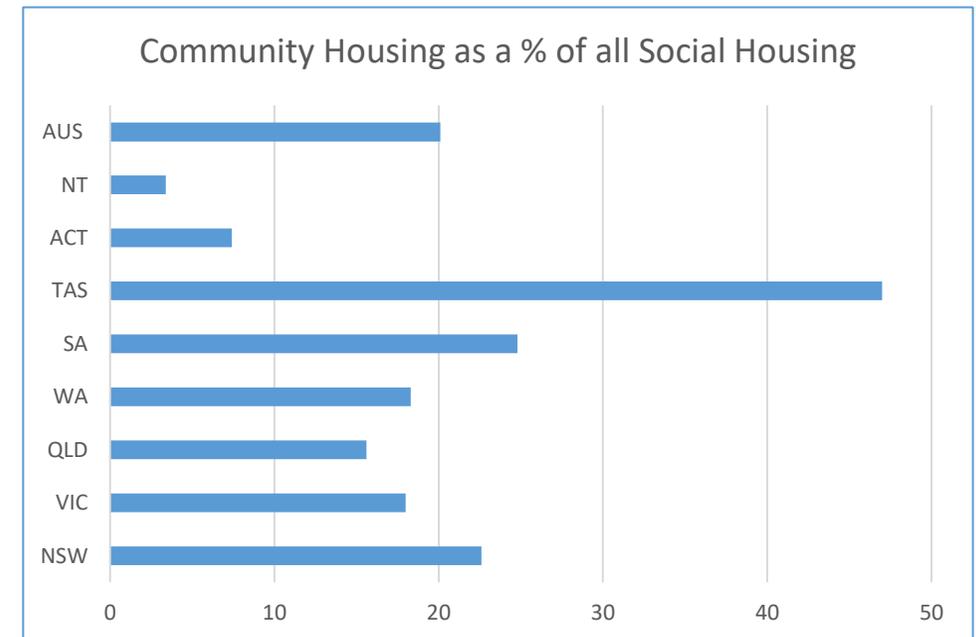
Need for housing affordable to to income quintiles 1 and 2 by 2036

Source: Filling the Gap: Estimating Need and Cost of Social and Affordable Housing Delivery

Community Housing in Australia



- Community housing providers are registered in the National Regulatory System for Community Housing (NRSCH), the Victorian Housing Registration Scheme or the WA system
- Around 350 registered CHPs – managing circa 25% of social homes
- Circa 125 CHPs are T1 or T2 (or VIC equivalent)
- Tier is simply an indication of the size of an organisation and whether it is assessed as being able to develop new homes
 - It is not an indicator of service quality or future capacity
- At least 23,000 new affordable homes have been built / acquired by CHPs since 2008 – the sector has responded whenever government has introduced schemes
- NT has proportionally fewer registered CHPs than any other jurisdiction.
- TAS has pursued an active strategy to support CHO growth



Community Housing – What we can deliver



- CHOs invest any profits back into new housing, more services or improving their properties – not into dividends for shareholders or executive bonuses.
 - ‘Effective pursuit of social objectives via commercial approach’
- The sector’s charitable status makes it exempt from GST, land tax and stamp duty and helps it attract philanthropic donations.
- Housing in perpetuity
- Housing quality - build to hold - accessibility, resilience, sustainability, multi tenure & community

Community Housing – What we can deliver



- The combination of tax exemptions and savings on the developer margin means CHOs can therefore deliver 25-30% more dwellings than if these were purchased homes from a developer
 - NSW Government estimated that the transfers of **title** for the SHI built homes resulted in an additional 1000 social homes being built on top of the 6000
 - If public sector add in foregone CRA (\$7M Darwin, \$24M for Rest of NT plus add GST)
 - If private sector - UNSW estimated additional \$2,000 subsidy per annum in Darwin
- Tenant Satisfaction - average 80% satisfied with community housing
- Responding to tenants with complex needs
 - eg Independent Living Program w Mental Health Commission
 - Industry standards
- Community anchors

Building Capacity



- An ongoing funding program that provides confidence to the sector and financiers, balances risk
- Working arrangement with NHFIC and other potential investors / government agencies
- Strong strategic planning within government
- Develop an industry strategy with the sector and its representative and provide funding to support – Partnering for Growth and the CHIC (NSW).
- Support individual capacity building - grants, mentoring, organisations and staff
- Support and encourage national registration – ICHOs included. Don't overregulate
- Data, outcomes measurement and evaluation
- Build community knowledge and awareness
- Links to specialist services.
- Smart procurement - reduce costs to government and proponents and don't assume open competitive tendering is the right approach. No race to the bottom.
 - UK system (and TAS) taken preferred partner route
 - Value service quality- can buy in development support