



COMMUNITY HOUSING LTD  
GROUP OF COMPANIES

**ESTABLISHING A REGULATED AFFORDABLE RENTAL SECTOR CREATING A HOUSING SOLUTION TO RESOLVE THE NEED OF THOSE UNABLE TO ACCESS HOME OWNERSHIP**

# About CHL



- ❖ Nationwide Australian and International not-for-profit group of companies delivering affordable housing to those on low incomes.
- ❖ Established in Australia in 1993 and has spread operations to South Asia, South-East Asia and South America.
- ❖ Focused on developing housing options for those experiencing housing difficulty and continuously improving its service delivery to its residents so they can ensure enjoy stable lives, raise families and engage in employment or study.
- ❖ More than 11,000 properties under rental management in Australia across six states including Victoria, New South Wales, Western Australia, Queensland, South Australia and Tasmania.
- ❖ Internationally in Timor Leste, Chile, Peru, Rwanda, Papua New Guinea, India and Indonesia, CHL is assisting those who are disadvantaged by securing a pathway to home ownership.



Our Vision : A world without housing poverty

# CHL's Purpose



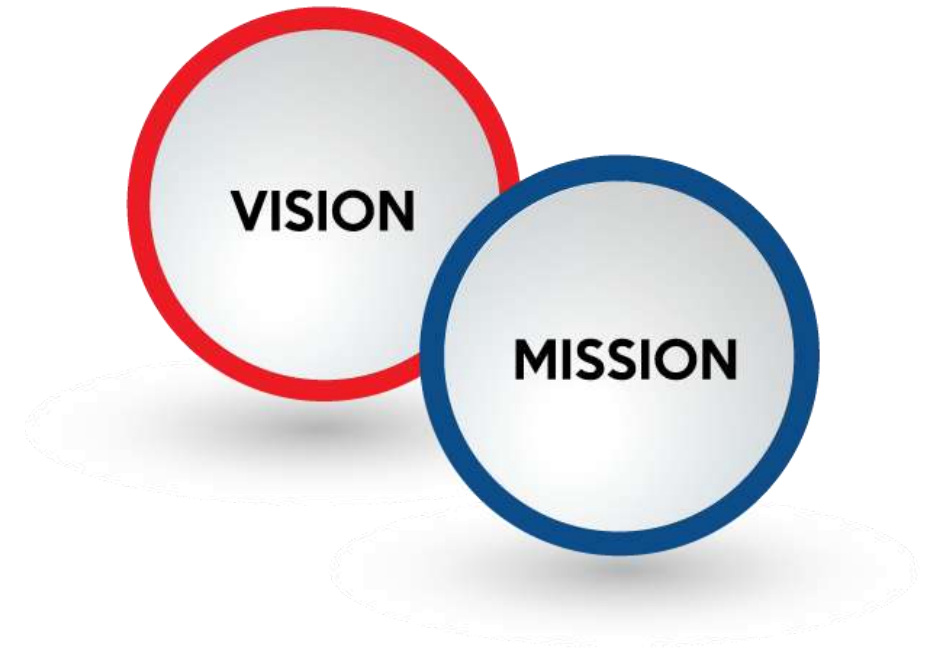
## Our Vision

A world without housing poverty.

## Our Mission

Working to ensure the provision of affordable and sustainable housing for all by:-

- ❖ Providing housing which is affordable, has long-term tenure and appropriate services to live comfortably;
- ❖ Assisting residents to access housing and to maintain links with their communities;
- ❖ Ensuring that the development of housing improves social, economic and environmental sustainability;
- ❖ Creating employment and training opportunities in the development of housing wherever possible;
- ❖ Assisting the development and sustainability of strong communities with social diversity by fostering community building initiatives to improve the health and wellbeing of disadvantaged people.



# What is Affordable Housing?



- ❖ Housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households have enough disposable income to live a good quality life.
- ❖ Includes a range of housing types and sizes. It is only available in some locations and eligibility criteria apply.
- ❖ Sometimes available for purchase, it is most commonly available for rent.
- ❖ May be owned by private developers or investors, local governments, charitable organisations or community housing providers.
- ❖ Usually managed by not for profit community housing providers, and sometimes by private organisations.
- ❖ Could be developed in a range of ways and funded through a mix of sources including government grant or land contributions, planning incentives, philanthropic sources, community housing provider equity contributions and from finance secured against assets owned by community housing providers.



# Why do people rent?



- ❖ Provides housing for those without sufficient income or equity to secure home ownership
- ❖ Flexibility in managing household budget
- ❖ Accommodates transitory periods in people's lives from single to family sizes without taxes associated with home ownership
- ❖ Supports mobility for work and study
- ❖ Reduces the level of financial commitment to maintain accommodation
- ❖ For lower income workers allows more disposable income for needs of family
- ❖ For higher income families allows more diverse options for wealth creation



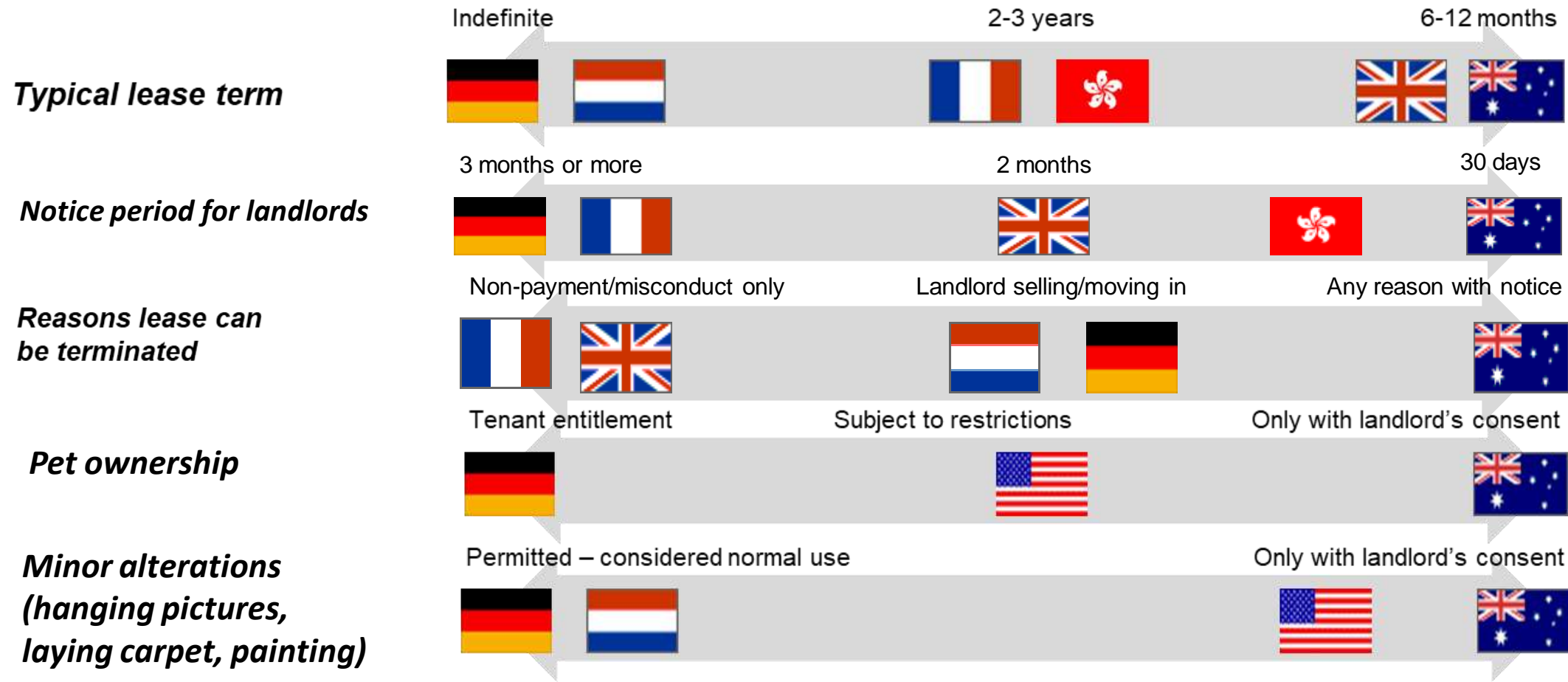
# Rental Housing in Europe, Asia and South America



The proportion of rental housing compared to home ownership varies:-

- ❖ In Australia the proportion of rental housing is 31% of the housing market.
- ❖ In Europe for rental housing in 2007 compared to home ownership was also 20% ranging between 60% in Switzerland to 2% in Romania. Renters occupy 52% of housing in Germany and 36% in the UK.
- ❖ Accurate figures are much harder to secure for Asia to assess the size of the rental market. Less than 50% are home owners in Seoul, Manila and Tokyo, while home ownership exceeds 80% in Jakarta, Manila and Singapore.
- ❖ In India 28% of city dwellers live in rental accommodation compared with 51% in 1960.
- ❖ It varies greatly South America. In Brazil the rental market is 25% whilst in Sao Paulo it is 20%

# International comparison of rental conditions



# Not for profit rental housing sector in Europe



- In UK 35% of the market is rental housing evenly split between social and private rental.
- In Sweden **over 500,000 homes** have been built by tenant and owner co-ops.
- Housing cooperatives form **over half the housing stock** in the country. Municipal Housing Companies, owned by local Councils, provide another 800,000 units of housing
- In the Netherlands, nearly 600 housing associations provide **about a third** of the housing market.

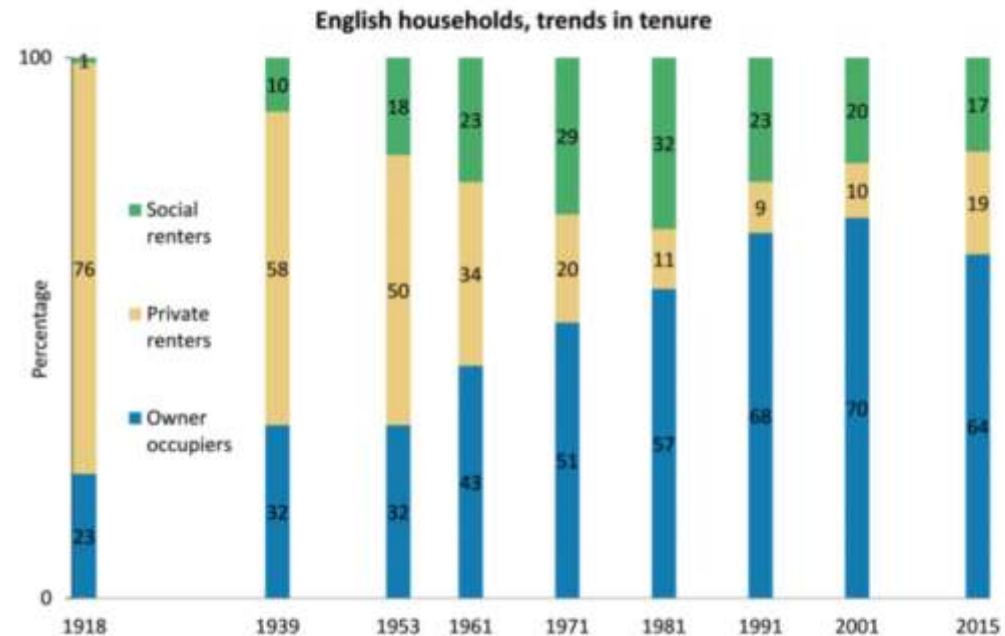




# Not for profit rental housing sector in the UK

- ❖ [Over four million homes](https://fullfact.org/economy/whats-happening-rented-social-housing-england/) were rented from councils or housing associations in 2017
- ❖ 1.6 million were council homes and 2.4 million were from housing associations  
<https://fullfact.org/economy/whats-happening-rented-social-housing-england/>
- ❖ Around 400 associations manage over 1,000 properties
- ❖ Around 60 groups with more than 10,000 properties under management account for 44% of homes in the sector

Exhibit 50: Trends in tenure (2)



Source: 1918: estimates by Alan Holmans of Cambridge University Department of Land economy. 1939 to 1971: "Housing policy in Britain", Alan Holmans. 1981 onwards: English housing survey, UK Government

# Affordable rental housing in Australia



**The Housing system in Australia is one of the least affordable in the world. 89% live in cities with 40% in the two largest cities, Sydney and Melbourne. Both are amongst the top five least affordable cities in the world. Adelaide, Brisbane and Perth also in top 25.**

- Australia has 24.9% were renting privately, and 4.0% were in social housing in 2016.
- There were a little over 412,000 affordable rental units,
- By 2036 its is estimated the deficit to be 727,000 affordable rental properties for lower income renters
- Demand for public housing is estimated to rise by 28% by 2023



# Not for profit rental housing sector in Australia



- Currently there are around 700 community housing providers in Australia managing 83,000 tenancy (rental) units
- Australian governments have committed to develop, over time, a large scale not-for-profit sector comprising up to 35 per cent of social housing
- Develop a not-for-profit sector that leverages private finance against its assets as well as attracting Government subsidies may play an important role in achieving growth in stock
- The public and not for profit housing system holds over \$80 billion of assets
- Over \$2.64 billion of Commonwealth government funding is invested in the social housing system each year



# Role of not for profits in the provision of affordable rental housing



- ❖ Long-term affordability is the focus and ability to cater to the lowest income group and those in highest need
- ❖ Able to attract private finance and leverage existing stock
- ❖ Be a conduit between private and public sector
- ❖ Strong community support
- ❖ External supports, financing, subsidies
- ❖ Responsive localised services
- ❖ Maximising long term social outcomes
- ❖ Neighborhood revitalization



# Issues Impacting Rental Housing Affordability



- ❖ Economic factors
- ❖ Public policy/Institutional factors
- ❖ Land supply and planning policy
- ❖ Housing design and size
- ❖ Housing construction costs and methodology
- ❖ Tenure
- ❖ Financing



# What can drive rental housing supply?



Establish Institutional framework to drive supply:

- Effective regulation of housing provider system
- Appropriate rental legislation
- Stimulus to generate housing development through:-
  - planning incentives,
  - land supply,
  - government grants,
  - taxation relief
  - Rental subsidies
  - Financing guarantees

# Working with Financiers and Governments to Drive Housing Growth

# Working with Financiers/Govt. to Driving Housing Growth



- ❖ **LAND:** A systemic approach to Government land release that prioritises social and affordable housing and provides a pipeline of new supply.
- ❖ **TAX:** Tax reform that drives supply and affordability, allocates tax concessions based on need and removes distortions.
- ❖ **FINANCE:** Mechanisms and stable & adequate subsidy arrangements that facilitate large scale, low cost and long term financing into social and affordable housing and enable debt to be serviced and repaid
- ❖ **PLANNING:** Planning for inclusive and sustainable communities, including affordability, diversity and flexibility. Growth management plans that capture uplift for community benefit and inclusionary zoning to generate inclusive neighbourhood planning.
- ❖ **ASSETS:** Systemic and planned use of Government Assets, including the existing public housing portfolio to act as a catalyst for new investment, renewal and growth in social and affordable housing.



# Creating An Attractive Investment Environment



Both Equity Investment and Debt Financing are crucial in delivering affordable housing at scale.

- ❖ Build investor confidence through long-term political commitment to affordable housing supply with stable policy frameworks;
- ❖ Attract institutional sources of capital with long-term investment horizons to ensure a stable affordable housing rental supply;
- ❖ Structure investment as “infrastructure” with appropriate tax settings to create satisfactory risk adjusted returns and stable and predictable cashflows;
- ❖ Remove fragmented nature of rental investment by encouraging aggregation to create the scale necessary to attract institutional investment;
- ❖ Create investment vehicles with a mix of market and affordable properties to assist in generating the returns required by institutional investors.



# Introduce a regulatory code

A Regulatory Code, registration and monitoring system covering:-

- Delivery of **housing services** to tenants
- Management of **housing assets**
- How providers ensure housing supply and management meets the **needs of communities** it assists
- Standards of **governance**
- Standards of **probity**
- **Financial** viability and management
- **Quality** assurance and continuous improvement



# CHL Housing Snapshots...





[CHL's 79 units Affordable Housing Development](#)



60 units in Brimbank Gardens, Victoria



CHL designed and built property in  
Victoria



Affordable Rental Housing in Maroubra, NSW

# Sweat Equity



- ❖ CHL's housing development in Suai, Timor-Leste, made use of future residents' skills during construction (they got paid).
- ❖ Ratio skilled: unskilled labour 65:35
- ❖ Total labour costs amounting to 25%, i.e. 9% unskilled:16% skilled (materials 75%)





# Mixed Residential Development in Rwanda



# Mixed-Use development in India



- ❖ 194 apartments in Dahegam, India (under construction)
- ❖ 76 shops and 1 hotel
- ❖ Commercial space financing low cost apartments



# Bank loans for low incomers in PNG



- ❖ 160 houses development near Port Moresby, PNG (in planning)
- ❖ Anticipated CHL sale price per H&L package: K399,000; complies with the maximum loan of K400,000 available via BSP First Home Ownership Scheme



# Research



- ❖ Myanmar Housing Study, 2017
- ❖ Rwanda Rental Market Study (in planning)
- ❖ Rwanda Housing Market, Country Profile, 2016
- ❖ Chile Rental Market Study, 2019



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