

Australia's Biggest Social Issue

All people have a right to secure and safe accommodation yet:

- Over 105,000 Australians are homeless
- There is a shortage of 170,000 affordable houses that is projected to reach 600,000 in the next 20 years
- 1.5 million households are living in housing stress

The flow on effects make this ... *Australia's biggest social issue.*

Social Enterprise for Affordable Housing

Homes for Homes is a scalable social enterprise that will:

1. Raise new funds via voluntary tax deductible donations on property transactions
2. Invest funds to build and manage new affordable dwellings

Green Star Innovation Challenge



The Green Building Council of Australia (GBCA) has issued a '*Social Enterprise for Affordable Housing*' Innovation Challenge through which eligible **residential and commercial properties** can achieve **Green Star points*** by participating in Homes for Homes.

Homes for Homes provides the opportunity for the property industry to '*link arms with the community*' to tackle Australia's biggest social issue through the:

1. Sale of residential properties (*'wholesale' developments*)
2. Sale and / or lease of commercial (*office, retail or industrial*) properties

Information

Attached is a brief introduction to Homes for Homes. For further information on:

- ✓ 'Social Enterprise for Affordable Housing' Innovation Challenge visit www.gbca.org.au/green-star/technical-support/innovation-in-green-star/
- ✓ Homes for Homes contact CEO Steven Persson on 0448 811 565 or steven@bigissue.org.au

**GBCA is solely responsible for the allocation of Green Star rating points*

Tackling Australia's Biggest Social Issue together

Australia's Housing Shortage & Affordability ... *all people have a right to safe and secure accommodation*

- ✓ Over 105,000 Australians are homeless
- ✓ Australia's shortage of social & affordable housing is >170,000. In 20 years the projected gap is >600,000
- ✓ Over 1.5 million Australians are living in housing stress

Australia's Biggest Social Issue

- ✓ The flow-on-effects of the shortage of housing is arguably 'Australia's biggest social issue'
- ✓ The biggest impediment to closing the 'gap' is a shortage of suitable funding

The Big Issue www.thebigissue.org.au (TBI) - established in 1996

- ✓ Australia's most significant social enterprise, TBI operates sustainable commercial 'solutions' to social issues
- ✓ An independent 'not-for-profit' company limited by guarantee, TBI has robust governance, stable management and offices in 6 states. TBI has saved society >\$100m, providing a ROI of >\$4.60 : \$1
- ✓ TBI has developed Homes for Homes (H4H) ... a 'solution' to increase supply of social & affordable housing

An Innovative 'Free-Market' Voluntary Initiative: Homes for Homes will

- ✓ Raise new funds through voluntary tax deductible donations by property stakeholders – see below
- ✓ Allocate funds (as a new source of funding) to third party suppliers of social & affordable housing to build & manage additional long-term social and affordable dwellings

H4H Governance – Homes for Homes Limited (H4H) is:

- ✓ A not-for-profit company limited by guarantee
- ✓ Endorsed as a deductible gift recipient under item 1, section 30-15 of *Income Tax Assessment Act 1997* (DGR)
- ✓ Independent from the 'affordable/social housing' market
- ✓ Focussed on robust governance and prudent management of funds held by H4H
- ✓ Non-parochial, transparent, audited and accountable

How Does H4H Raise New Funding?

- ✓ Property stakeholders voluntarily make a tax deductible donation to H4H of 0.1% of a property transaction
- ✓ Participants can include developers, home owners, banks, real estate agents, mortgage lenders & landlords
- ✓ Examples of participation include:
 - Developers selling new properties with H4H registered on Title (*disclosing H4H in sale documents*)
 - Urban Renewal Authorities selling development projects as H4H projects
 - Home owners registering their property (*triggering a donation at time of sale*)
 - Commercial Property owners registering H4H in leases & or on title (*triggering lease or sale donations*)
- ✓ With modest industry support, it is projected H4H could raise >**\$1.8 billion** to build thousands of homes

Residential Developments Can Participate: Developers of residential properties that elect to support H4H:

- ✓ Register each property to be sold as an H4H property, by authorising H4H to lodge a Permissive Caveat (PC) on the title of each property [*the PC triggers a donation by the purchaser at the time of the subsequent sale and can be voluntarily removed at any time by the owner of the property*]
- ✓ Market / sell the participating properties as a 'H4H Participating Property', disclosing H4H in documentation
- ✓ Do not donate to H4H on the first sale. Developers may 'elect' to donate
- ✓ 'Wholesale' participation in H4H is tailored to the sales model adopted for each development

Commercial Property Can Participate:

- ✓ Owners and or tenants of office, retail and industrial (Commercial) property can participate
- ✓ H4H provides the opportunity to participate by donating to H4H 0.1% of the:
 - Rent received / payable on a participating Commercial Property; and or
 - Sale price of participating Commercial Property, when the property is sold

How Will H4H Funding Be Allocated?

- ✓ H4H Investment Advisory Group will guide prudent investment of H4H funds
- ✓ To avoid duplication, funds are allocated through an application process to experienced specialist providers and managers of community housing to build sustainable social and affordable dwellings
- ✓ Funds invested by H4H will be allocated across the states pro-rata to the funds raised from within each state
- ✓ Expert industry based 'housing' & 'investment' advisory groups will advise on areas of greatest housing 'need', identify preferred delivery partners/terms & prepare strategies to maximise benefits from H4H funding

Extensive Feasibility and Business Planning

- ✓ H4H has been developed, having seen a successful 'developer driven' model in the USA
- ✓ TBI has tailored an independent H4H model to the Australian market through extensive planning over 6 years
- ✓ Consumer survey during Victorian Feasibility Study showed 51% of people would be willing to support H4H