

Social Enterprise for Affordable Housing

Points Available: 2

Developed in partnership with Homes for Homes.

Aim

To generate new funds to increase the supply of social and affordable housing.

Rating Tool Eligibility



Green Star
Communities



Green Star
Design & As Built



Green Star
Interiors



Green Star
Performance



Legacy Green Star
Rating Tools

Note: This Innovation Challenge is applicable to all rating tools, except stand-alone Design ratings (Legacy rating tools).

Why is this Innovation Challenge Important?

All people have a right to secure and safe accommodation, yet Australia has a critical shortage of social and affordable houses. With the 'gap' predicted to increase significantly and unable to be 'closed' by governments alone, many consider that the flow-on-effects make our shortage of affordable housing 'Australia's biggest social issue'. The biggest impediment to closing the 'gap' is a shortage of suitable funding.

The Green Building Council of Australia has partnered with Homes for Homes (H4H) through which residential and commercial Green Star projects can achieve up to two (2) points by participating in this Innovation Challenge. Developers of residential and commercial properties can participate in H4H as 'wholesale' participants, whereby properties are marketed and sold as 'H4H Participating Properties'.

H4H is a scalable social enterprise that aims to:

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

Participating in H4H

Property transactions that can participate in H4H include:

- Sales and leases of commercial (office, retail and industrial) property.
- Sales of residential property in wholesale (developers and urban renewal authorities) or retail (private) markets.

By registering to participate in H4H, a property owner is agreeing to donate to H4H, 0.1% of either the participating property(ies):

- Sale price, payable at the time the property(ies) is / are sold [refer to item 3A below]; or
- Lease income on commercial property during the term & extended term(s), payable at start of each term or extended term.

Registering to participate is simple:

- Residential Wholesale and Commercial participants enter a simple 'H4H Participation Agreement' that (in brief) involves:
 - For residential wholesale sales, agreement for H4H to lodge a Permissive Caveat (PC)¹ on the Title of each property sold ('parent' and/ or sub-divided 'child' title). The wholesaler is not obliged (but may elect) to donate 0.1% of the first sale of sub-divided titles;
 - For commercial property sales, agreement for H4H to lodge a PC¹ on the / each Title(s); or
 - For commercial property leases, the property owner including a clause in the property lease agreement.
- Residential Retail participants (individual property owners) enter an H4H Donation Deed, that:
 - Provides the owner's consent for H4H to lodge a PC¹ on the property title (Title), thereby 'recording' the offer for the vendor to donate to H4H at settlement (a 'Charge'); and
 - Provides H4H's agreement to discharge the Charge at any time. Practically, upon receiving written request from the current owner, H4H will provide the owner with a form of withdrawal of PC signed by H4H (for lodgement by the owner).



Illustration depicting how the H4H program works.
Source: Homes for Homes

¹ Permissive Caveat 'records' the offer to donate to H4H at settlement (a 'Charge'). Permissive Caveat remains on Title, triggering a donation each time the property sells. A participating vendor should disclose the property's participation and include H4H Donation Deed in sale documents (templates supplied by H4H).

Compliance Requirements

To achieve this Innovation Challenge property owners are required to participate in the H4H program in line with the requirements of H4H.

Points Allocation

The allocation of points varies slightly depending on the type of property that participates:

A. Commercial Property(ies):

- **One point** is awarded when the commercial property (or all² commercial properties) that make up the Green Star project is / are registered as an 'H4H Participating Property(ies)', whereby the property owner agrees to donate to H4H 0.1% of the sale price at the time the property(ies) is / are sold (i.e. has a PC registered on Title); or
- **One point** is awarded when the property owner enters an H4H Participation Agreement agreeing to donate to H4H, 0.1% of the / all² participating property(ies)' lease income during the term and extended term(s), payable at the start of each term or extended term.

B. Residential Wholesale Property(ies):

- **One point** is awarded when a wholesaler (developer, or urban renewal authority) sells all² its residential properties that make up a Green Star project as 'H4H Participating Properties' (i.e. PC registered, or agreed to be registered, on Title); and
- **One additional point** is awarded if the wholesaler also makes a donation to H4H of an amount equal to, or exceeding, 0.1% of the total of the sale prices of all² properties that make up the Green Star project.

Alternative Compliance Methods

A Credit Interpretation Request (CIR) may be submitted to the Green Building Council of Australia (GBCA) when an applicant wishes to advocate for an alternative yet equivalent method of meeting the Compliance or Documentation Requirements. Any CIRs submitted for this Innovation Challenge will be processed as free-of-charge.

² Where every property in a Green Star project is practically not able to participate, but the intention of the Innovation Challenge has been fulfilled, the project team should submit a CIR to GBCA with an alternative approach.

Documentation Requirements

Design Review / Design and As Built Submissions

Provide the following required documentation:

- **Submission Template** outlining the model taken in signing the project up for the H4H agreement and the points being claimed. The Submission Template also enables project teams to provide feedback on the Innovation Challenge to inform future developments.
- **Completed H4H Participation Agreement** confirming that the building owner is committed to participate in the H4H program; and
- **Written Confirmation from H4H** demonstrating compliance with the H4H Participation Agreement.

Guidance

The GBCA endorses project teams to enter into the H4H program directly with the Homes for Homes organisation. The GBCA is in no way involved in the H4H program.

For more information on the H4H program, please visit the Homes for Homes website - <http://www.homesforhomes.com.au/>

Alternatively, please contact Steve Persson on (03) 9663 4533 or steven@bigissue.org.au.