

Thursday 23 February 2017

\$1 billion door opened for industry investment in social housing

The Victorian Government has listened to calls from the UDIA and the Affordable Housing Industry Advisory Group, today announcing a number of workable investment approaches which will enable the private sector to co-invest in much-needed social housing.

Victorian Treasurer Tim Pallas MP today released the first component of the State Government's affordable housing strategy, the *Social Housing Growth Initiatives*. Underpinned by a \$1 billion fund which will be capitalised over the next four years, the initiatives establish access to low interest loans and bridge the return on investment gap for industry when investing in social housing, by using the borrowing power of the Victorian Government.

"The Government has come to the table with an Australian-first funding model which will bridge the funding gap currently hindering the development industry's ability to invest in social housing," said Danni Addison, Victorian chief executive of the Urban Development Institute of Australia.

"The Social Housing Growth Initiative recognises the pivotal role played by the development industry in the delivery of social housing. But it also acknowledges that there is only so much risk and uncertainty that our industry can absorb, and that the responsibility for achieving a more accessible housing market is one that must be shared.

"We commend the Andrews' Government for creating a meaningful and practical pathway that means it is commercially viable for the development industry to deliver more affordable and social housing products."

The \$1 billion Social Housing Growth Fund, a collaboration between government, the private and philanthropic sectors, is a big step forward that will help with housing supply at the lower end of the market, and act as an important new model for private partnership and investment.

"When government encourages and supports the development sector in this way, we are able to deliver more accommodation for those sleeping rough and experiencing severe housing stress," said Ms Addison.

Set up using capital provided by the Government, the returns will be used as a funding stream to build new social and affordable homes, and subsidise rent for Victorians in need of housing assistance.

At the same time, the loan program will allow registered housing associations to borrow funds for new homes at a lower interest rate. By acting as guarantor, the Government will help these associations spend less on interest.

A further \$100 million in low-cost loans will also be made available to registered housing associations.

Today's announcement kicks off the rollout of the Andrews Labor Government's housing strategy, which will be released in the coming weeks.

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UDIA (Victoria) Media Release



ABOUT

Urban Development Institute of Australia (UDIA) – Victorian Division

The Urban Development Institute of Australia (UDIA) is a nationally recognised advocacy body that supports Australia’s urban development industry. The UDIA informs and engages government, key policy makers, and industry members, **enabling better policy and better business decisions.**

With a primary focus on the residential property sector, UDIA’s Victorian Division protects and promotes over 50,000 individuals from over 350 member companies across the state. UDIA members are property developers, consultants and a range of other professionals involved in producing, financing and marketing residential property.

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