Innovations in Affordable Housing Supply – *Inner City*

National Housing Conference 28 – 30 October 2015

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Project DNA: State Affordable Housing Strategy & Housing Continuum

VERY LOW INCOME
Less than $43,500

LOW INCOME
$43,500 to $69,600

MODERATE INCOME
$69,600 to $104,400

Crisis Housing
Social Rental Housing
Affordable Rental Housing
Market Rental Housing
Shared Equity
Keystart Home Ownership
One on Aberdeen Northbridge

- $5.7m land unlocked $73m development & supported 50% affordability
- HA RoE taken in retained apartments + $2m cash
- Supply, affordability and place activation outcomes at no cash cost to government
- Limited recourse project finance structure
**Project Summary**

**Housing Authority (HA) Investment/Return**

- Land Asset → Return on Investment → 17 Social Housing units
  - 18 Shared equity
  - 14 Essential Worker
  - $2.3m Cash
  - + 17 NRAS

**Direct Market Impact - Leverage - Benefit**

- HA Land Asset
  - $6.3 million Private Equity
  - $72.62 million development
    - 161 units into supply side
    - POLICY OUTCOME
      - 50% affordable
      - (11% social housing)
  - $42.1 million Private Debt

**Opening Doors**
Abode West Perth

- Similar approach as OoA
- $4.5m land unlocked $41m development
- 86 units; 28% affordability
- 10 units with ‘Vespa bays’ not car bays
Lessons Learned

1. Clarity re project DNA & ingredients
2. Understand the role-risk-return equation
3. Commercial return $\rightarrow$ policy outcomes
4. Active multi-disciplinary transaction management – from concept to keys
5. Affordability within high-quality, commercially viable projects IS possible!
Future Opportunities

1. Housing is Asset Rich – Especially in the inner and middle ring

2. Maintaining an appropriate presence and role in these locations in perpetuity

3. Looking to activate more housing and density around train stations

4. Housing controls outcomes, private sector bring expertise. Two distinct roles
Future Opportunities

1. 10 sites being planned under this or similar models

2. Will deliver up to 850 new homes
Future Opportunities

1. Adaption for locational differences

2. Building internal capacity while still using external transaction advice

3. Building an ongoing pipeline of opportunity for multiple private sector partners