



Housing All Australians submission

Treasury Laws Amendment Bill 2024
Build to rent developments.

22 April 2024

Document and contacts

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Executive Summary

Australia's current housing crisis has been developing slowly over decades and has been steadily metastasising itself into the economy. As well as impacting the more vulnerable within our community, it has become a significant social and economic challenge for governments to solve and is now impacting on the ability of business to serve the Australian community. While most Australians are aware of the housing crisis, only a few understand the long-term implications. But there is no quick fix. The solutions must eventually be bipartisan.

Housing All Australians (HAA) is a national private sector "for purpose" organisation, and registered charity (PBI, DGR1), with a focus on increasing the availability, supply, and access, at scale, of affordable housing nationally. HAA believes it is in Australia's long-term economic interest to provide housing for all its people: rich or poor. Just like the provision of roads, schools and hospitals, safe, affordable, and stable housing is essential infrastructure and a necessity to enable every Australian the opportunity to be productive and be able to contribute to society.

The concessions proposed in the draft legislation are welcomed. They provides the required subsidy needed for the Build to Rent (BTR) sector to include affordable housing in their developments. However, in this submission, Housing All Australians will attempt to highlight that while the concessions make the creation of affordable housing viable, the proposed mandatory requirement to achieve all the prescribed parameters will not maximise the delivery of affordable housing in every situation. Given the current supply side challenges, the reform package must be very careful to avoid any unintended consequences by deterring or slowing down the inclusion of affordable housing in developments.

Whilst HAA has several national initiatives on foot, the focus of this submission is to highlight one innovation, the PRADS affordable housing register. The use of this register will help the Federal Government maximise the delivery of affordable housing in every built-to-rent development, including those constructed before 9th May 2023. This innovation also allows government full oversight, and live adherence (or not) to the obligations of all stakeholders when delivering, managing or renting affordable housing. And it can be done at scale.

Every opportunity must be leveraged. The flow on effect of this additional supply will not only help reduce the growing level of homelessness in Australia, but also improve economic and social inclusion. Homelessness is ultimately a housing problem.

Housing All Australians recommends the federal government include appropriate provisions into the final legislation that contemplates the use of technologies, such as the PRADS register, to maximise the value of the tax concessions in the delivery of affordable housing.

Australia's housing crisis:

A problem only solved through true collaboration.

Everyone is acutely aware that Australia is in the midst of a housing crisis, with no short-term fix. In a Federal Government review of NHFIC in 2021, authored by Chris Leptos AM, government actuaries quantified that over the next two decades, the investment required to meet the shortfall in public, social and affordable housing will be in the order of \$290 billion¹. This is too big for government to fund alone, and a desperate need exists to unlock new forms of capital to help deliver more affordable housing; what Housing All Australians describes as *fundamental economic infrastructure for a prosperous country*.

Government must engage the private sector, including our superfunds, to invest in creating the additional social and affordable housing Australia needs. Otherwise, we will continue to see the erosion of our societal values and a significant increase in both the economic and social costs for future generations that will be a direct consequence of not addressing this fundamental human need. In 2022, [Housing All Australians](#) quantified the additional cost to Australian taxpayers of continuing to provide the level social and affordable housing we have in the past reaching \$25 billion p.a. by 2052 and increasing.²

It has taken decades to erode affordability to its current level, and it will take decades to reverse this trend. Key workers are no longer able to live close to where business and the community needs their services due to the lack of affordable rental housing let alone affordable housing for purchase. Government and industry now recognise this as a significant economic as well as social issue for Australia.

It is widely accepted that the creation of affordable housing needs some form of subsidy to fill the uneconomic gap and unlock private sector capital. However, we need to ensure that our approach is systemic, and not just programmatic, in order to maximise the long term commitment of the business, finance and community sectors.

A step forward: Engaging the private sector.

Housing All Australians welcomes the proposed changes in the exposure draft of the Treasury Laws Amendment Bill 2024 to increase the supply of BTR housing in Australia and importantly encourage affordable housing in these developments.

¹ C'wealth of Australia (2021) Statutory review of the operation of the National Housing Finance and Investment Corporation Act 2018 p.18

² [\(Give me Shelter – the long-term costs of underproviding public, social and affordable housing\)](#)

The proposed increase in the depreciation rate for the capital works tax deduction and reducing the final withholding tax rate on eligible fund payments from managed investment schemes, will help address the subsidy gap and unlock critical private sector offshore capital to increase Australia's affordable housing supply. However, there is no reason to preclude existing BTR development in providing affordable housing providing transparency is available on how the concessions have been effectively applied in the inclusion of affordable housing and that ongoing compliance can be monitored.

We note that the Treasury is also seeking views from interested parties on the draft legislation and the implementation details that could assist in a successful execution of the proposed legislation. Housing All Australians is well placed to provide some innovative suggestions that will help government achieve the transparency needed by government authorities to ensure that the objectives of the legislation and the commitments made by the BTR sector area actually met.

Housing All Australians is currently working with Property Exchange Australia (PEXA), and local government, in the development of an affordable housing register that will transparently monitor the obligations of all stakeholders to ensure compliance.

The PRADS affordable housing register

Background

Housing All Australians (HAA) has developed an affordable housing model that allows the creation of privately funded affordable rental housing, rented at agreed below market rents for a period of at least 30 years. The Progressive Residential Affordability Development Solution (PRADS).

The PRADS model has adopted a very similar governance structure to what was required for the National Rental Affordability Scheme (NRAS), but with one big difference. The governance process for the PRADS model will be done through a digital register that records all affordable housing obligations. It will have the ability to monitor the compliance of all stakeholders and advise government when non-compliance is detected.

Whilst created for use with the PRADS affordable housing model, the PRADS affordable housing register is a separate piece of digital infrastructure that can be used for many compliance related activities, including the monitoring of affordable housing within BTR projects.

Ensuring compliance

Currently, the only way that federal, state and local government can ensure that any (subsidised) affordable housing remains affordable, is via the Community Housing Providers (CHPs), as they are regulated in each state and territory by the National Regulatory System for Community Housing (NRSCH) and in the case of WA and Victoria, by their housing registrars. To achieve an “at scale” solution, we must not only continue to grow the CHP sector but find new ways to fund and engage the broader development ecosystem.

In formulating the PRADS affordable housing model as an “at scale” private sector solution, a fundamental requirement was to establish a credible system-wide tool that would also enable the engagement of the existing property ecosystem in the supply, and management, of affordable housing. This tool would need to imbed a robust and transparent governance process that was beyond reproach. The two principal requirements of this tool would be to ensure that the affordable housing remained affordable for the term of the agreement and that only qualifying tenants were able to obtain access to the affordable dwelling. This led to the development of the PRADS affordable housing register. The development of this digital register would enable an increase in the number of participants with the appropriate skills that could help Australia through its housing crisis.

The PRADS Register will provide a centralised platform that records all affordable housing obligations and enable government to monitor the compliance of all stakeholders over the life of the commitment. It will ensure that developers, investors, owners, BTR operators and tenants are undertaking their compliance obligations, as they did with NRAS, in accordance with agreed parameters.

Tenants would be accessing the register and qualifying through a web-based portal which eliminates the clunky NRAS process which involves emails, attachments, and a manual assessment. The PRADS register will be fully automated allowing the tenant a more streamlined, seamless, and integrated process.

Using smart technology, it is intended that, subject to the appropriate information being provided, the applicant will know immediately if they are able to qualify for the subsidised housing and the managing agent will be notified accordingly. Subject to privacy provisions, and with approval of the applicant, some of the information required from banks or the taxation office could be accessed directly through Application Programming Interfaces (API's).

The aim of achieving a large scale, institutionally held, professionally managed BTR sector with affordable rental policy goals, should not be tied up by pre-determining a limited management model. Instead, the focus should be on setting appropriate standards and performance and encourage innovation within the sector.

The PRADS register is not only a significant innovation that will assist government in monitoring affordable housing commitments from private sector participants, including the

BTR sector, but it can also offer significant efficiency improvements to the Community Housing Providers (CHP). Discussions with a tier 1 CHP has indicated that substantial savings will be achieved in their organisation once the PRADS register is fully operational. If this is multiplied across all the CHP's in Australia, this would result in significant savings and, therefore, more homes being able to be built with the same funds.

What is the right number of affordable homes that can be created?

The first principle that parties need to accept is that the creation of affordable housing requires a subsidy. Once that is recognised, the rest is purely mathematics. Every reasonable BTR developer should support the creation of affordable housing for key or essential workers as long as it does not impact the project's viability and they are not financially worse off. The second principle is to recognise that a subsidy is required to offset the difference between market rent and the Maximum Income Limits (MIL), with the depth of subsidy needed varying with each location.

To encourage offshore institutional investment in BTR developments, the Federal Government is proposing to increase the depreciation rate for the capital works tax deduction and to reduce the final withholding tax rate on eligible fund payments from managed investment schemes, where construction has started post 9th May 2023. However, to access the concessions, the BTR development must include affordable housing.

It is important to recognise that the value created by the concessions is constant for a development. It is a fixed number. Yet, as mentioned earlier, the market rent is different in every location. The higher the market rent, the greater the gap between the market rent and the Maximum Income Limit (MIL), and the greater the depth of subsidy needed to fill the gap. These points need to be recognised when considering the drafting the legislation. The PRADS register can play a significant role in ensuring that the concessions provided maximise the affordable housing that are able to be delivered in any location.

The draft legislation requires that a minimum of 10% affordable housing be delivered in the BTR development for the concessions to be accessed. Given the variability in the depth of subsidy needed to meet the income limits, having a requirement for a minimum 10% of affordable housing will result in scenarios where the delivery of affordable housing will not be viable due to the inability to meet all the required criteria concurrently.

This is because, where the subsidy gap is considerably larger, it will not be viable to deliver a full 10% affordable housing. Nevertheless, it would still be valuable. As long as the concession is fully utilised, any percent of a development delivered as affordable housing is better than 0%. These will all be lost opportunities.

If the Federal Government wants to maximise the delivery of affordable housing in locations where the key/essential workers are needed, then every opportunity to do so should be exploited. The PRADS register will be an assessment tool that uses smart technology to consider the variables, and then be able to back solve for the number of affordable homes that can be delivered through the available concessions. **This will ensure that affordable housing will be delivered in every BTR project.** We must use every opportunity, even if the outcome results in less than 10% affordable housing.

Whilst some BTR developments will not be able to satisfy all the criteria as proposed, and therefore not be able to deliver affordable housing, some developments in locations where the gap between the market rent and the MIL is considerable less, should be required to provide greater than 10% of affordable housing to avoid unjustly enriching the BTR developer. In both situations, by using the PRADS register, the public interest test will always satisfy as the use of the concessions in the delivery of affordable housing will be maximised.

Given the current supply side challenges, the final legislation must be drafted very carefully to avoid unintended consequences and deterring or slowing down the inclusion of affordable housing in any BTR development. The sophistication that will be built into the PRADS affordable housing register will maximise the use of the available concession and create the opportunity to deliver affordable housing in every BTR development.

The provisions should be applied to both existing and new.

The legislation proposes that the concessions are not available to operating BTR projects that commenced construction before 9th May 2023. Given the gravity of the housing situation, and the long lead times involved in the delivery of new projects, every development should be incentivised to provide a level of affordable housing. Even the existing ones.

With the specific aim of encouraging existing BTR developments to include affordable housing, we strongly urge the government to consider enabling an existing development to take up the proposed concessions, if they introduce a satisfactory number of affordable homes into their development on the same terms and conditions as proposed post 9th May 2023. It is noted that this would need to occur within a reasonable transition period as dwellings would currently be used for non-affordable housing and would be transitioned to affordable dwellings in a manner that will not additionally advantage the BTR developer.

By using the smart technology proposed in the PRADS affordable housing register, this becomes a basic mathematical calculation. The value of the concessions and the ultimate transition adjustment from market to affordable rent, can all be mathematically captured

and transparently applied to ensure that no value is lost and the BTR operator is not unjustly enriched.

Affordable housing can be created in existing developments. With the ability to monitor all the compliance obligations with full transparency, government can make an immediate impact in delivering affordable housing for key/essential workers in locations close to where they serve society.

An appropriate housing mix is essential.

Housing All Australians supports the proposition that a broad cross selection of affordable housing dwellings should be included in a BTR development, not just the lowest valued ones.

In high market rent areas, the percentage below market rent needed to achieve the affordable housing income limits will need to be well below the minimum target stipulated of 74.9% below market. This is further exacerbated with the requirement to include 3-bedroom dwellings. Whilst we support the principle behind the requirement in the draft legislation that at least one of every dwelling type be available as an affordable dwelling, it needs to be recognised that this will impact the potential viability of a BTR developer taking up the proposed concessions and delivering affordable housing.

If there are several 3-bedroom dwellings in a development, when combined with the minimum requirement of 10% of affordable housing, without the ability to consider all the variables involved and back solve for the number of affordable homes that can viably supported by the available concession, opportunities will be wasted. **With the use of the PRADS register, the need of a deeper subsidy can be back solved to ensure that the fixed concession amount is used to maximise the delivery of affordable housing in every BTR development.**

Housing All Australians recommends that the final legislation include the opportunity for the introduction and use of technology, like the PRADS register, to maximise the opportunity for inclusion of affordable housing in every BTR development.

Be careful what you wish for with a maximum 15 year limit.

Presently, the Management Investment Trust (MIT) concessions proposed by the draft legislation are only intended to apply for a 15-year period. The logical extension of this position is that the government intends that the provision of affordable housing in BRT developments will also cease in 15 years.

Given the negative impact that has, and still is, been playing out with the ending of over 35,000 affordable NRAS dwellings, Housing All Australians submits that to avoid a similar unacceptable situation, a maximum period should not be set for the MIT concessions as this will force the BTR sector to revert the proposed subsidised housing back to market rental. This will compound a future shortfall in affordable housing and misses the opportunity for BTR developments to contribute to the long-term supply of affordable housing in Australia.

The 15-year maximum MIT benefit for BTR is inconsistent with what is currently available to other property asset classes where office, industrial, retail and student accommodation investments all attract a 15% MIT withholding tax rate without a 15 year limit.

Whilst BTR developments may currently be attractive to offshore investors, given the present depressed conditions for office and retail investments, this cyclical situation will change. Given the fluid nature of the capital markets, when these sectors inevitably recover, offshore investment will logically favour the more attractive asset classes. It would not be in the national interest to see affordable housing created in BTR developments, return to market rent.

Removing the 15-year maximum MIT limit will provide a consistent approach to the investment metrics used to assess property assets and maximise the long-term investment by offshore capital in Australian affordable rental housing. The consequence of this will be a steady and continuing increase in the supply of affordable housing that would be delivered as a result of the proposed legislation.

MIT legislation should be consistent across property asset classes.

As mentioned in the previous section, capital markets are fluid. Presently, the MIT concessions proposed by the draft legislation only apply in respect of rental income which is inconsistent with what is currently available to other property assets such as office, industrial, retail and student accommodation investments. The current draft legislation does not create a level playing field in terms of the income tax treatment for investment in BTR as opposed to other property asset classes mentioned.

Given the importance of creating more rental housing, and in particular affordable housing, Housing All Australians recommends that an alignment in the treatment of MIT in BTR developments is included in the final legislation. This will ensure that, irrespective of property cycles, no unintended consequences occur and the critical offshore investment needed in the Australian housing market continues.

The Governance Process

A key requirement for the PRADS Register is to have a robust governance process that can be trusted by all stakeholders including all levels of government. Ultimately, it needs to be beyond reproach.

As a starting point, the PRADS Register will adopt the governance process established by the Federal and State governments for NRAS which was established in 2008. This will more than cover the requirements as stipulated in the proposed legislation.

With the PRADS Register, the entire compliance and application process will be done online through a web-based portal, eliminating the clumsy “hard copy” and emailed attachments which currently form the main method of distributing the required compliance information for NRAS. In addition, API’s for connection to banks and the taxation office are all envisaged as being part of the ultimate system that will help make access to affordable housing easy and seamless.

Whilst several aspects around NRAS have been highly criticised, it did demonstrate interest from private capital markets in investing in affordable housing, and that affordable housing could be managed by the private sector through an agreed governance process. This was demonstrated by Frasers Property Australia who undertook the property management of all their NRAS properties. In addition, Australia’s largest NRAS Approved Participant, National Affordable Housing, which is a Tier 1 CHP and delivered 10% of all NRAS dwelling nationally, utilised both registered community housing providers and private sector property managers to manage their NRAS properties. By setting clear standards, both the CHP’s and private sector property managers achieved the required performance benchmarks.

Engaging state and local government through the Housing Accord

The Municipal Association of Victoria (MAV) supports the use of the PRADS model and particularly the use of the PRADS Register. On the public release of the initiative, Kelly Grigsby, CEO of the MAV, said Local Government holds a crucial responsibility in this process and collaboration with industry is the key.

“The PRADS approach is another constructive way to support productive partnerships between the development industry and local government which, over time, could generate substantial quantities of affordable housing. We also believe the AHR will fill a significant gap, helping councils monitor voluntary agreements with developers over the long term” (see Press Release in the Appendix).

The MAV will commence discussions with the Australian Local Government Association (ALGA) and hopefully enlist their support for HAA's affordable housing model as they recognise the opportunity in enabling this across Australia, through local government, and as part of the Housing Accord.

In developing the PRADS Register, it is acknowledged that for an "at scale" solution, government does not have the resources to manually oversee and review all the commitments. Therefore, the PRADS Register will be kept "management light" via the use of smart technology, with the appropriate area of government only being notified when non-compliance is detected. To ensure the PRADS Register is functioning as intended in line with the approved governance process, it will be subject to an independent annual audit.

Maximising the engagement of the development industry.

Even though prospective tenants of affordable housing are key workers, there is a real concern from developers, and BTR operators, that "the market" might perceive the occupants to be public or social housing tenants consequently having the potential to negatively impact future sales prices, and rents. This is a matter, rightly or wrongly, that impacts the developer's risk profile and consequently, in the majority of cases, inhibits the participation and interest of the developer in being associated with affordable housing. Currently, this "perception" extends to the potential use of a CHP to manage these properties within a project, as they have a direct association to the tenant profile they manage.

Recognising this reality, the PRADS Model has been specifically designed through a developer lens to maximise the engagement of the industry and helping solve Australia's housing crisis. Accepting the transparency of compliance through the PRADS Register, developers have the option of either using a CPH or managing the affordable rental housing themselves and mitigating any perception risk.

Australand, which was later acquired by Frasers Property Australia, used the NRAS to help sell apartments to "mum and dad" investors and strategically, ensured they were the property managers in order to minimise any perception risk. After 8 years of successfully managing NRAS properties, Frasers experience shows that private sector property managers, following a clear governance process, can manage affordable housing.

With governments at all levels currently funnelling the ownership and/or management of affordable housing through the CHP sector, we need to acknowledge that negative perceptions exist and, rightly or wrongly, most developers do not want to take the risk with "affordable", "community" or "social" housing being included in their developments due to the negative community sentiment. This was recently front and centre in Tasmania where

covenants were introduced on a land subdivision prohibiting the construction of public, social or affordable housing to avoid an impact on the land price.

[Restrictive covenant at New Norfolk housing development blocks use of land for public housing](#)

While some say this this perception has shifted, it would only be at the extreme margins. With the existence and use of the PRADS Register, developers are more likely to be engaged in the delivery of affordable housing as they can sell the product to their investor data base and have the option for the properties to be managed by approved real estate agents.

Whilst the current legislation allows the BTR operator to manage the affordable housing, the efficiency, ease of use and transparency offered by the PRADS Register has the support of industry and local government. This support is further reinforced with letters of support from Commonwealth Bank, Property Council of Australia, the UDIA (Vic), the MAV, Committee for Melbourne, Committee for Sydney, Australian Institute of Architects, The REA Group (realestate.com), HOME and Aware Super (see Appendix).

Other potential uses of the PRADS Register

Whilst the PRADS Register will initially be developed to enable affordable housing to be delivered, at scale, by the private sector, the PRADS Register has potential for other national applications.

Based on discussions with Housing Australia executives, such an expansion of available data would make a significant contribution in helping shape future housing policy. With the initiative able to be expanded to include all social housing this would provide government with a comprehensive oversight and granular detail concerning the quantity of affordable and social housing, the rent, locations, and ownership details. This is in addition to the anticipated efficiency savings for CHP's mentioned earlier. In the longer term, the information available from the PRADS register would generate a "super" data base of performance data that will also assist the National Supply and Affordability Council in having improved visibility over this market segment. This will inform policy advice and enable the measurement of our national performance.

The implementation of the PRADS Register can empower all three levels of government to enhance their planning and allocation strategies, enabling both Community Housing Providers (CHP) and the private sector to efficiently deliver and manage social and affordable housing. Another potential use for the PRADS Register is to collect national data from the short stay accommodation industry.

Given the controversy surrounding the decreasing availability of rental housing due to its use as short stay accommodation (SSA), more granular data is needed to allow a better insight, and therefore any policy response, as the impact seems to differ depending on the Local Government Area (LGA). To achieve this, a central register of some type is needed to assess the local nuances in every LGA, as there are also benefits to the tourism industry that come from the provision of short stay accommodation. Without reinventing the wheel, once developed, the PRADS Register can easily be expanded and used as a central repository for short stay accommodation data.

Another example of benefits that could arise from the creation of the PRADS Register is to help Housing Australia expand its leveraging and deliver more affordable and social housing. Through some small legislative changes, Housing Australia could use the compliance monitoring features of the PRADS Register to expand its funding remit to other charities, or perhaps even private sector organisations, that are committed to delivering affordable housing. By being able to monitor the compliance of all stakeholders involved, Housing Australia will be able to ensure that any public funds are used for their intended purpose, thereby leveraging other organisations into the delivery of affordable and social housing. Transparency and the establishment of a strong governance process is the key and, with smart technology built into the PRADS Register by PEXA, this level of oversight is possible.

Development of the PRADS Register by PEXA

PEXA is a multi-award winning ASX-listed Australian prop-tech business with over a decade of experience. PEXA was formed to fulfil the Council of Australian Governments (COAG) initiative to deliver a single, national e-conveyancing solution to the Australian property industry.

PEXA has agreed to support HAA by developing, on a pro bono basis, the PRADS Register for its use as centralised national platform that records all affordable housing obligations and enables government to monitor the compliance of all stakeholders.

With PEXA's current integration across the title system, the banking sector and government, they are uniquely placed to provide the seamless integration the PRADS register envisages.

PEXA's commitment was reported as part of its Annual Report for the 2022/23 Financial Year (see Appendix).

The Pilot

To ensure the requirements of local government are incorporated into the development of the PRADS Register, HAA and PEXA have established a working group which includes local government representation.

Currently the City of Melbourne, the City Port Philip and the City of Yarra are part of the working group and work is underway to extend this working group to include local governments in other states to ensure a consistent national approach.

To complete the connection between local government and a private sector developers, [HOME](#), one of Australia's largest build-to-rent operators with affordable homes delivered as part of a broader market offering within the City of Yarra, has also agreed to be part of the pilot as has Mirvac, who have projects within the City of Melbourne.

To understand the benefits of the PRADS Register from one industry perspective, Christian Graham, Head of HOME said:

“Through the transparency and oversight provided to government by the AHR (rebranded to the PRADS Register), we now have a tool that supports the BTR operator managing its entire portfolio. This is a significant innovation for our sector.”

In 2022-23, PEXA and HAA began a partnership to build a national PRADS Register and, as mentioned earlier, established a working group to advise on its development. PEXA commenced work on building a prototype register and successfully tested it against historical data from the City of Port Philip. An indicative timetable is provided below with approximate expected timeframes under a business-as-usual approach.

Implementation and resourcing

Australia has no time to waste in creating additional supply of a diverse range of housing. While PEXA's offer to undertake the development of the PRADS Register pro bono is commendable and signifies its commitment to help end homelessness, HAA recognises and acknowledges that PEXA's primary focus must be on its core business and therefore the development of the PRADS Register will be as, and when, resources are available. Consequently, this will take longer to complete under this business-as-usual scenario. However, once developed, PEXA has agreed to maintain and operate the PRADS Register, on behalf of HAA, over the long term.

Given the potential of the PRADS Model and PRADS Register to utilise the existing property and development ecosystem, including the BTR sector, and unlock significant private sector capital for investing in affordable housing, its development should be accelerated in the national interest as time is of essence.

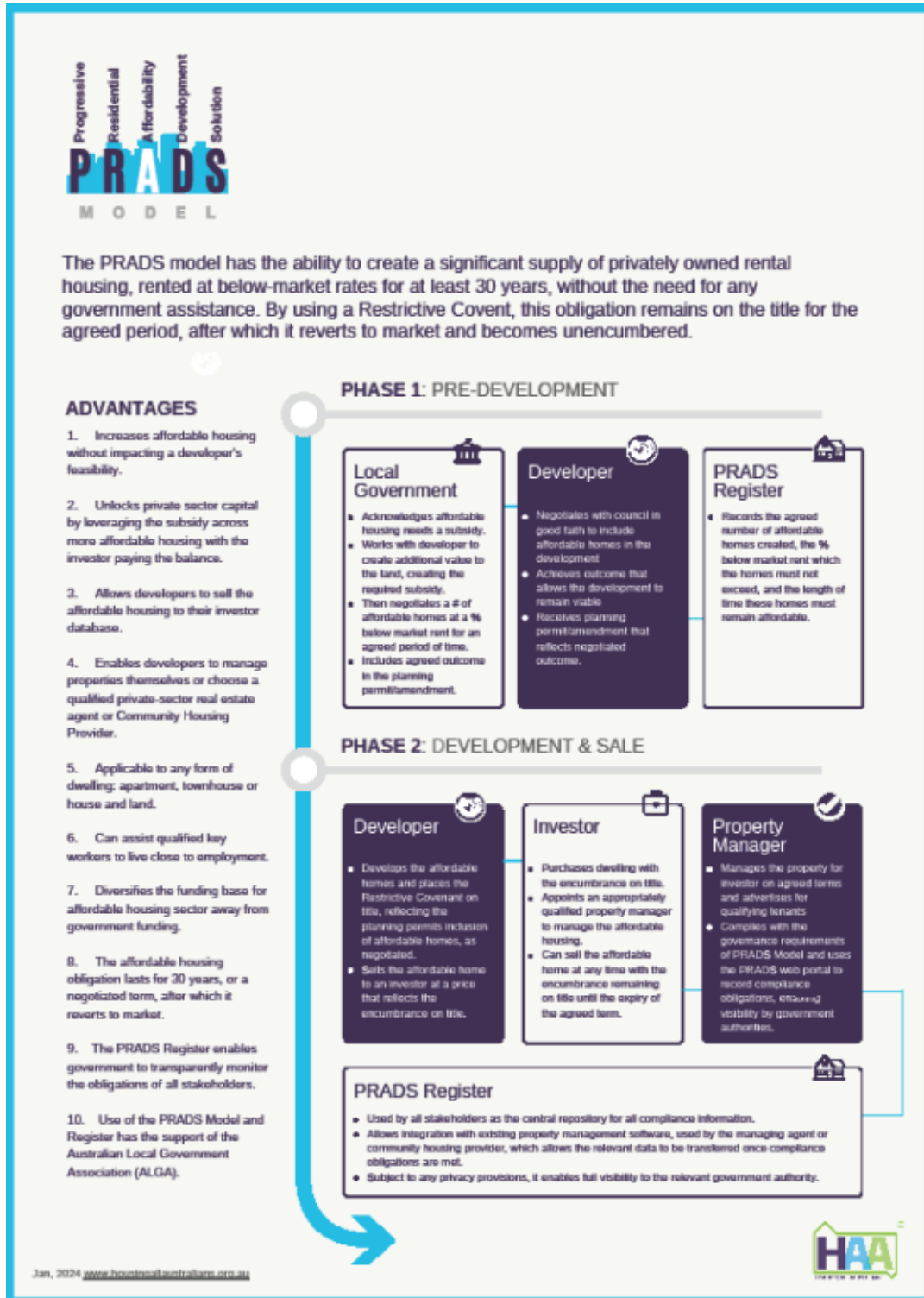
For transparency, HAA made a pre-budget submission in January 2024 to the Federal Government to help accelerate the development and implementation of the PRADS register in the national interest.

Should funds be made available, they will be used to supplement the in-kind support and help accelerate development of the register and significantly shorten the current expected timeframe. In addition, allowances have been made for HAA and MAV/ALGA to provide the required human resources to manage the acceleration of the process and to provide the appropriate training to rollout the PRADS Register and PRADS model nationally as described in the table below.

HAA would welcome further detailed discussions with the Federal Government as this housing crisis can only be solved through innovation and true collaboration by all Australians.

Appendix

i. PRADS Model flow chart



PHASE 3: RENTAL TENANCY + FUTURE SALE

Tenant

- Submits all required information through the PRADS web portal to confirm qualification.
- Signs a standard Residential Tenancy Agreement (RTA) at the agreed below market rent.
- Tenants the property in accordance with the conditions as specified in the RTA.

Valuer

- Is appointed by the agent, on behalf of the owner, to provide independent assessment of market rent and determines the maximum rent based on the encumbrance on title.
- Information uploaded through the PRADS portal.
- Process of determining market rent occurs on the 12-month anniversary of rent commencing.

Property Manager

- Reviews each tenancy application and performs their normal tenancy checks.
- Rents the property to a qualifying tenant based on the Valuers valuation.
- Submits information via PRADS web portal.
- Manages the property in the same manner as they would a market tenant.

PRADS Register

- Records all compliance information that is uploaded by the respective stakeholder.
- Using smart tech, the PRADS Register assesses all information provided and determines compliance
- If non-compliance is detected, the Register automatically advises the appropriate government department to investigate further.
- The Register is audited annually to ensure it is performing as intended.

THE PRADS REGISTER

A key component of the PRADS Model is the Register which is accessed through a web-based portal. The Register will:

- Provide a paperless platform allowing stakeholders to perform all functions online.
- Allows government to record agreed affordable housing outcomes, including the number of negotiated affordable homes, their tenure, and the % below market rent which the homes must not exceed.
- Provides transparency and monitoring of the compliance process to give government confidence that all stakeholders are meeting the agreed obligations.
- Using smart technology, it processes and verifies the eligibility criteria of tenants, specific to the LGA, and advises the respective government department if non-compliance is detected.
- Give developers the ability to sell affordable housing to their investor database, as well as the choice to manage the properties themselves or choose a qualified real estate agent or a Community Housing Provider.
- Allows Build To Rent (BTR) operators to manage their own affordable housing
- Comply with all federal, state and local government-approved cyber security protocols.
- Integrate with existing property management software to provide a seamless transition to business-as-usual operations.
- Provides access to annual attestation by property manager noting:
 - Affordable lease in accordance with the Residential Tenancy Act and at the agreed level negotiated with local government.
 - Affordable rent is being paid at no more than the agreed percentage below market rent.
 - Copy of Audit conducted every three years.
 - Valuation on market rent.
- Allows the tenancy applicant to:
 - Receive a link enabling online rental applications.
 - Process the required financial statements and prompts the tenant for any missing information.
 - Verify eligibility at the time of submitting their application.
 - Upload information including bank and income statements, and Statutory Declarations, as required.

ii. [Press Release on the development of the AHR \(PRADS Register\)](#)



ABN 23 629 193 764 | PEXA Group Limited

News Release

EMBARGOED UNTIL 12.00AM, TUESDAY 19TH SEPTEMBER

Australian-first digital Affordable Housing Register to help solve nation's housing crisis.

Australia will be home to a game-changing digital Affordable Housing Register (AHR) designed to help tackle the nation's housing crisis by unlocking private capital to fund affordable housing projects, nationwide.

The Affordable Housing Register is spearheaded by the non-profit organisation Housing All Australians (HAA) and PEXA Group Limited (PEXA), a world-leading digital property exchange platform and property insight solutions business.

With input from local government and the property industry, PEXA and HAA are building a national register that serves as a centralised platform and repository for recording all affordable housing commitments, while providing governments with the ability to transparently monitor the compliance of all stakeholders through the process.

The AHR ensures that developers, investors, property owners and tenants uphold their obligations, such as the committed period of below-market rent, guaranteeing the long-term affordability of the housing created.

HAA Chair, Louise Rutten, emphasised the urgency of addressing Australia's housing crisis through collaborative efforts between the public and private sectors.

"One of the biggest challenges with affordable housing is being able to track both the construction of housing – where it's going and where it's needed – and then the compliance with developers' commitments to keep the housing affordable in the longer term. The other big challenge is attracting private capital to this sector because, despite good-intentioned efforts at a local, state and federal level, we know governments can't solve this problem alone. Innovations like the AHR are fundamental to finding new solutions that deliver more affordable housing," she said.

PEXA Group Chief Executive Officer, Glenn King, described the register as an important step toward ensuring transparency on affordable housing commitments.

"At PEXA, we are driven by our purpose and there's no greater purpose for us than applying our technology capabilities to help resolve Australia's urgent housing crisis. If we do not collectively solve this issue it will challenge the future prosperity of our country. This is a societal problem that requires true collaboration between business and the public sector,

AFR

Property

Commercial Real Estate .com.au

www.afr.com | Tuesday 19 September 2023

Registry will track, help fund affordable housing

Michael Bleby

A new PEXA-backed platform, the first national registry of affordable housing, could unlock "hundreds of millions" of dollars of private investment into affordable housing by tracking developers' commitments and providing a governance record to ensure promises are met.

The Affordable Housing Register would offer a verifiable way for individuals to own and lease out units for qualifying key workers at below-market rents, widening the pool of money in affordable housing beyond institutions and community housing providers, platform founder Rob Pradolin said.

"It unlocks private sector capital by letting developers sell to their investor database an affordable home that helps society but is going to be monitored for 30 years by the Affordable Housing Register that ensures all stakeholders keep their promises," Mr Pradolin, a former head of Fraser's Property Australia, told *The Australian Financial Review*.

The first national platform, it would also allow policymakers and industry to see where affordable housing is located. To date, those details are held in disparate spreadsheets held by individual local authorities.

With definitions of "affordable" varying across regions, the register would also create a record of what those are. In time, tenants will be able to enter their data into the register to show their eligibility to rent the housing.



Rob Pradolin

"This is a societal problem that requires true collaboration between business and the public sector," PEXA chief executive Glenn King said.

Individual investors bought rental units under the now-discontinued NRAS scheme, under which below-market rents were subsidised by the federal government.

But with the right controls in place investors could again put money into affordable apartments developed in exchange for height or density bonuses

This is a societal problem that requires true collaboration.

Glenn King, CEO, PEXA

— as NSW Premier Chris Minns' government has committed to do — said Mr Pradolin, now the head of advocacy group Housing All Australians.

"By unlocking private sector capital, we can offer affordable housing for essential workers that is closer to their workplaces, strengthening our local communities," said Melbourne Lord Mayor Sally Capp, whose council will work with the City of Port Phillip and City of Yarra on the pilot.

The subsidy in the form of the extra yield that allowed the developer to develop the affordable units and sell them at a discounted price meant no further funding was needed, said Mr Pradolin.

Build-to-rent operator Home, which will place 14 units in Melbourne's Richmond on the platform as part of a pilot due to start next month, said it was a "significant innovation" that would allow BTR players to manage an affordable housing portfolio.

"Through the transparency and oversight provided to government by the AHR, we now have a tool that supports the BTR operator managing its entire portfolio," Home's Christian Graham said.

It could create a new housing asset type that investors could buy through their self-managed super fund and then bequeath to a grandchild as an unencumbered dwelling when the affordability requirement expired at the end of the fixed term, which should be a minimum of 30 years, he said.

"If NRAS was 35,000 dwellings there is no reason in the longer term that this could not mimic the rollout of NRAS," Mr Pradolin said.

For the platform to function as designed, the federal government would have to agree to a recommendation of a 2021 report into the National Housing Finance and Investment Corporation — shortly to be renamed Housing Australia — that NHFC be allowed to channel money through a wider pool of not-for-profit providers, he said.

Cheaper to rent than buy in most suburbs

Nila Sweeney

Rising rates have hit housing affordability, with the percentage of suburbs where it is cheaper to buy a house than rent one slumping to just 3.3 per cent nationally from 30 per cent before interest rates began rising last year, new CoreLogic data shows.

The rising cost of money since May last year has pushed up mortgage repayments on a \$500,000 variable-rate loan with principal and interest repayments over a 30-year term by 25.5 per cent, adding about \$606 a month, according to the data provider.

This has hit the affordability of unit and house purchases.

Only 6.5 per cent of all unit markets nationwide are now more affordable for buyers than renters — a sharp decline from 48 per cent of suburbs as of April last year.

That's a drop from 552 unit markets to 78. For house purchases the number

of suburbs slumped from 818 to 91.

"Even though rents were still rising rapidly, up 9 per cent over the past 12 months, mortgage repayments have risen substantially more, which has placed further downwards pressure on the number of suburbs where it's cheaper to buy than rent," CoreLogic research director Tim Lawless said.

"A cut in interest rates would clearly lower mortgage repayments, but is also likely to stimulate more demand-side pressures, which could push housing prices even higher."

The only solution was for more supply to be added to the national market, to contain prices and create more diversity of housing type, especially in price-sensitive areas, he said.

AMP head of investment strategy and chief economist Shane Oliver said interest rate cuts would improve buying affordability, but these were unlikely to occur any time soon.

Continued p30

Buyers' markets

Suburbs where it's cheaper to buy a unit than rent

Suburb	Median value (\$)	Monthly mortgage repayment (\$)	Median monthly rental value (\$)	Monthly savings from buying (\$)
Carlton, Vic	356,977	2,129	2,405	276
Melbourne City, Vic	464,508	2,770	2,929	159
Travancore, Vic	362,347	2,161	2,252	91
Spring Hill, Qld	438,528	2,615	2,680	65
Waterford West, Qld	279,878	1,669	1,722	53
Woodridge, Qld	258,908	1,544	1,573	29
Logan Central, Qld	258,151	1,539	1,554	15
Orelia, WA	204,919	1,222	1,633	411
Glendalough, WA	288,894	1,723	2,099	377
Thornlie, WA	289,592	1,727	2,064	337

SOURCE: CORELOGIC

iii. Letters of support



21 February 2024

Robert Pradolin
Founder & Director
Housing All Australians
Robert.Pradolin@housingallaustralians.org.au

Dear Robert,

REA Group agrees in principle to support Housing All Australians' Affordable Housing Register

REA Group operates Australia's leading residential and share property websites [realestate.com.au](https://www.realestate.com.au) and [Flatmates.com.au](https://www.flatmates.com.au), connecting property seekers with available properties around the country. As the number one destination for renters, our aim is to simplify the renting process for tenants, landlords and property managers.

REA intends to develop functionality on its relevant platforms to allow property managers to advertise eligible properties as affordable while property seekers will be able to identify themselves as eligible tenants.

We believe everyone should have a safe place to sleep every night and are committed to connecting all members of our community with a home that is right for them.

Yours sincerely,



Jarrod Scott
General Manager – Product
REA Group



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Level 4, 4 Collins Street
Melbourne VIC 3000
melbourne.org.au
T +61 (3) 9650 8800
E cfm@melbourne.org.au
ABN 39 603 559 744

Mr Robert Pradolin
Executive Director
Housing All Australians

Delivered by email to: robert.pradolin@housingallaustralians.org.au

4 March 2024

Dear Rob

Housing All Australians' Permanent Rental Affordability Development Solution and Affordable Housing Register

We are writing to convey Committee for Melbourne's (the Committee's) support for Housing All Australians' Permanent Rental Affordability Development Solution (PRADS) and PRADS affordable housing register.

The Committee represents around 120 members across a range of sectors including, arts & culture, business, not-for-profit and education, to deliver thought leadership and create positive and enduring change for *all* Melburnians. The Committee brings an a-political and representative viewpoint, to deliver fresh and important ideas to shape the future of Greater Melbourne. The organisation has a successful history of developing important ideas and programs that support Melbourne, including the Docklands development, privatisation of Melbourne Airport and advocacy for the airport rail link.

The Committee's agenda also includes issues relating to housing, and particularly mechanisms to increase the supply and availability of affordable housing. With Melbourne's population heading towards 9 million by mid-century, and with the city being in the top 10 most unaffordable housing markets in the world, the Committee recognises that social and affordable housing availability is a key issue for Victoria and Australia. With a serious undersupply of housing stock and, in particular, social and affordable housing, mechanisms to ensure there is collaboration across business, government and community to deliver affordable housing are essential.

Committee for Melbourne has supported the work of Housing All Australians over time, including support for the *Give Me Shelter* report, that shows the cost-benefit analysis of underinvestment in social and affordable housing. Compiled for Housing All Australians, by SGS Economics and Planning, the report shows that there is a significant cost to Australian taxpayers of underinvestment in social and affordable housing. The report shows benefits of investment in social and affordable housing are also significant, with a benefit-cost ratio of 2:1 for investment in social and affordable housing.

Governments can't do it alone and therefore harnessing the power of business and community is also essential. And that's why the Committee supports Housing All Australians' innovative approach in developing the PRADS model and especially the PRADS register. Acknowledging that affordable housing needs a subsidy of some form, the PRADS model, and case study, shows what is possible through collaboration with government. The development of the PRADS

affordable housing register, on the other hand, provides a mechanism and governance approach that will not only harness private sector capital and resources to grow the supply of affordable housing, but allow government a level of transparency and compliance of all stakeholders that does not currently exist.

We are very pleased to support your initiatives and wish you success with your pre-budget submission to the Federal Government. The Committee will continue to support the good work of Housing All Australians and looks forward to cross-sector collaboration on housing issues into the future.

Sincerely,



Mark Melvin
Chief Executive Officer



Leanne Edwards
Director, Policy and Advocacy

20 March 2024

Mr Robert Pradolin
Executive Director

Housing All Australians

By Email: Robert.pradolin@housingallaustralians.org.au

Dear Robert,

Aware Real Estate (ARE) supports the proposed PRADS model as an enabler for development and management of affordable housing in Australia.

ARE is Aware Super's property investment platform responsible for the strategic performance and management of its directly owned Australian property portfolio, with a c.\$2.3bn portfolio across industrial, residential, office and mixed-use spaces. Aware Super is one of Australia's largest superannuation funds managing more than \$170bn in funds on behalf of more than 1.1 million members Australia wide, many of whom are the very essential workers at the very centre of the housing affordability challenge.

Aware Super has played a pioneering role in Australia's build to rent ('BTR') sector and was the first institutional investor to commit to affordable housing through its Essential Worker Housing ('EWH') program in 2018. ARE has an active BTR apartment development pipeline across Melbourne, Canberra and Sydney, with a commitment increase the total number to more than 1,200 apartments over the next three years,

Delivering affordable housing at scale requires a high degree of understanding, trust and transparency between owners, developers, local and state government, and the community. The PRADS register would help to facilitate this by ensuring key stakeholders have access to a central source of agreed information to ensure commitments are being met. It would provide a basis for Government and developers to negotiate in good faith to 'fill the subsidy gap' and unlock additional affordable housing availability.

The PRADS register would also help to address some of the challenges the sector is experiencing in the management of affordable and social housing dwellings. The increased transparency provided by the proposed register should provide local and State government with more confidence that the commitments made will be met. It would also help facilitate BTR investors, to undertake the management of their own affordable housing stock, should they wish to.

One of the other significant benefits we see is increased efficiency in the verification process. Currently ARE voluntarily rents over 450 dwellings to eligible essential workers at discounted rent. The current process to ensure we are renting to eligible tenants consists of emails and attachments that need to be received, opened, and assessed by a CHP annually to ensure the occupant qualifies for the discounted housing. With the proposed PRADS portal, tenants can upload information in a seamless manner and with greater efficiency. Apart from the speed of assessing of each application, this automation will save all parties significant cost and provide participants greater comfort around the process.

I believe the PRADS register would be a significant national enabler for BTR and affordable housing more generally and we encourage further support by government to fast track its development.

Please get in touch if you require further information.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Michelle McNally'.

Michelle McNally
Aware Real Estate CEO



September 20 2023

To whom it may concern

RE: Permanent Rental Affordability Development Solution (PRADS) and Affordable Housing Register (AHR)

The Urban Development Institute of Australia, Victoria (UDIA) represents the residential development sector and the professional services that support it. Our members exist to deliver housing for Victorians – from detached houses, to medium and high rise developments. Our members deliver homes in Metropolitan Melbourne and in the regions.

UDIA recognises the lack of supply of suitable housing stock across the housing continuum for both home owners and renters. The lack of affordable housing is now at crisis level, and requires a response commensurate to the need from government and industry.

UDIA supports the work of Housing All Australians, including the PRADS model, and the Affordable Housing Register. The AHR promotes both transparency and accountability of all parties involved in the delivery of affordable housing and has the potential to unlock private sector capital for affordable housing. The use of technology in this platform to drive innovation in the sector is welcome and needed.

All stakeholders in the housing industry must work together to address the current crisis and we welcome the AHR initiative.

Yours sincerely,

A handwritten signature in blue ink that reads 'Linda Allison'.

Linda Allison
Chief Executive Officer

info@udiavic.com.au

22 January 2024

To whom it may concern

Letter of support: Housing All Australians Permanent Rental Affordability Development Solution and Affordable Housing Register

The Municipal Association of Victoria (MAV) is the statutory representative and advocacy body for Victoria's 79 councils. Today, the MAV is a driving and influential force behind a strong and strategically positioned local government sector. Our role is to represent and advocate the interests of local government; raise the sector's profile; ensure its long-term security; facilitate effective networks; support councillors; provide policy and strategic advice, capacity building programs and insurance services to local government.

The MAV has a long-standing interest in housing, and considers that every Victorian deserves safe, secure and affordable housing. We have provided a range of submissions and advice to the many inquiries and reviews and work closely with both the federal and state governments to support councils in their continuing efforts to address the housing crisis that presently impacts their communities.

Limitations arising from the Victorian Planning Scheme are a source of frustration for councils as they seek to include more social and affordable housing in their communities. The Progressive Residential Affordability Development Solution (PRADS) model provides a way forward, and importantly, positively engages the development industry. The Affordable Housing Register (AHR), which is currently being tested by three Victorian councils, has the potential to deliver timely, accurate and transparent data, which is becoming increasingly important to councils, developers, and policy makers.

Both the PRADS model and the AHR, when fully tested and scaled, could be important parts of a viable, sustainable, and effective system to deliver more social and affordable housing to Victorian communities.

Yours sincerely



KELLY GRIGSBY
Chief Executive Officer



20 February 2024

To whom it may concern

Letter of support: Housing All Australians Permanent Rental Affordability Development Solution and Affordable Housing Register

The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with more than 14,500 members across Australia and overseas. The Institute's vision is "*everyone benefits from good architecture*", and our purpose is "*to demonstrate the value of architecture and support the profession*".

The Institute has advocated for many years to both the Federal and individual State and Territory governments on issues of social and affordable housing. The key issues have been expanding supply and ensuring that good design is a key consideration of social and affordable housing.

We are very supportive of the direction being established by the submission that Housing All Australians has prepared to create more affordable homes. It responds to a reality that governments in Australia cannot, on their own, create the required housing to address its needs. Only 4.4% of Australia's dwellings are social housing, well below the OECD average of 7.0%. As at June 2022, there was only 170.4 dwellings per 10,000 persons across the country. It is clear that an affordable housing solution must be created as a partnership between the government, the community and the development sector.

HAA's proposal is to use regulatory levers alone. We do urge that all levels of government apply the model amongst a range of solutions to deliver affordable homes for Australians. Governments must commit to achieving an operational and administrative definition of affordable housing and legislating the powers to establish, monitor and enforce the intent of PRADS and the Affordable Housing Register to enable this model to be delivered. In addition, there must be cooperation in relation to planning controls of State and Local Governments in each jurisdiction.

Last year, our Institute's National President, Stuart Tanner, stated publicly that Australia not only needs more housing, but better housing. Any housing created under this model must leave an enduring legacy to reduce total impacts on the environment in terms carbon emissions and other environmental degradation. Operational carbon emissions mandate that our affordable housing must be energy efficient, starting at 7 Star, but going even higher. We also need to use low carbon, replenishable materials.

Building durable homes that last longer than an average 30 years reduces embodied carbon and other environmental degradation.

Australia's homes must also be highly accessible and adaptable for changing needs. Australia also has the largest homes in the world amongst OECD nations. This creates direct risks for carbon as well as urban sprawl. Attention to best design design will enable us to "right-size" our homes and still enjoy high livability and reduce our environmental footprint. These requirements for best design should engineered into the model.

We support the proposal and look forward to hearing of its acceptance, implementation and success.

Yours sincerely

A handwritten signature in black ink, appearing to read "L Hardwicke". The signature is fluid and cursive, with a large initial "L" and a stylized "H".

Leanne Hardwicke
General Manager, Policy, and Advocacy



21 February 2024

Attention: Robert Pradolin
Executive Director
Housing All Australians

By Email: Robert.pradolin@housingallaustralians.org.au

Dear Rob

PRADs Model in Australian Build to Rent

HOME is Australia's largest creator and operator of Build to Rent apartment communities. We were pioneers in this space established in 2017 with the aim of reinventing the lifestyle experience for renters.

Today over 1,200 people and 150 pets live in our two live communities, and we have two more buildings to open in the next year and a further four in development across Melbourne and Sydney. Our customers have spoken with their feet adopting BTR as a better way of renting.

Within our HOME Richmond community, we proudly own and manage some moderate income (key worker) affordable housing apartments as part of the wider BTR mixed use community. These apartments are fully occupied. When we developed these apartments, we were surprised at the lack of information, guidance and infrastructure to deliver and manage affordable housing in Australia.

We commend you for this national initiative in devising the PRADs model as it addresses two industry barriers in producing affordable housing into property developments: (i) the economic impost of providing affordable housing relative to market housing and (ii) the need for a community housing provider (**CHP**).

Firstly, HOME recognises the importance to Australia of providing and delivering affordable housing but it needs to be acknowledged that affordable housing needs some form of genuine subsidy.

HOME is very willing to work with Local Government to create genuine and material value. If it is not, it will only serve to decrease future potential housing supply. We note that a number of projects were put on hold in 2023 across Australia due to viability.

The PRADS model is one such way that should be explored by Government.

The additional value could be directed to affordable housing initiatives. This approach would ensure the developer remains whole and the affordable housing can be subsidised. Meaningful time savings and additional planning certainty should also be targeted where possible as they assist with attracting necessarily cautious, institutional investment and accelerate housing delivery.

The second barrier that your model resolves is the property management. In the past we accepted that using CHP's was an easy and convenient way that government would ensure that any affordable housing would remain affordable. However, with the creation of the PRADS register, it will now be possible for government to have that oversight using technology.

As mentioned above, BTR operators already successfully manage affordable housing within their communities but planning policy is inconsistent across Australia.

Given the PRADS register, BTR operators will be able to manage any affordable housing and allow government with the oversight to ensure compliance is achieved.

In our view, whilst details need working through, conceptually these initiatives could remove two previously significant barriers to deliver more affordable housing for moderate income/key workers as part of BTR communities.

Please get in touch if you require further information.

Yours sincerely,



Christian Grahame
Head of Home

September 16, 2023



To whom it may concern,

Permanent Rental Affordability Development Solution (PRADS) and Affordable Housing Register

SGS has examined the PRADS model promoted by Housing All Australians (HAA) and its partners.

We endorse it as a welcome and innovative way of sharing the value created through development approvals.

The PRADS model minimises transaction and negotiation costs for the development proponent. It can mobilise a broad spectrum of private investment capital to meet the substantive cost of providing the affordable housing.

The effectiveness of the PRADS model will be greatly enhanced by the establishment of an Affordable Housing Register (AHR).

The AHR, which is an initiative of HAA and PEXA, will provide a definitive record within the land titling system of affordable housing agreements such as PRADS. This will assist policy makers, developers, regulators and investors alike. Again, it will work to reduce uncertainty and administrative complexity in the setting up of planning agreements to generate Affordable Housing.

SGS advocates for affordable housing requirements of developers to be clearly expressed and announced well in advance so that proponents can factor these obligations into their feasibility studies. Ideally, the discounted present value of these obligations should be readily discoverable by the proponent well in advance of site purchase and it should be possible for proponents to fulfill their affordable housing obligations without undue expense and time delays. The PRADS model working with AHR is consistent with the approach we promote.

Sincerely,

A handwritten signature in black ink, appearing to be "MS", written over a light grey circular watermark.

Dr Marcus Spiller
Principal & Partner
SGS Economics & Planning Pty Ltd
Canberra, Hobart, Melbourne, Sydney





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T [@propertycouncil](https://twitter.com/propertycouncil)

21 December 2023

Letter of support for Housing All Australians' Permanent Rental Affordability Development Solution and Affordable Housing Register

The Property Council of Australia represents the driving force behind the nation's economy, contributing \$232.7 billion to the GDP, providing employment for 1.4 million Australians, and generating \$178 billion in employee incomes. The role of property in meeting Australia's social and economic needs has never been more apparent.

Our valued members play a crucial role in shaping our cities, fostering communities, and building the essential homes that Australians require. We understand the pressing issue of insufficient residential housing stock for both owners and renters. The lack of affordable housing is a growing concern that demands immediate attention and concerted efforts by all tiers of governments.

In this light, the Property Council of Australia stands in support of the commendable work undertaken by Housing All Australians (HAA), on the Permanent Rental Affordability Development Solution (PRADS) model and the Affordable Housing Register (AHR) initiative.

We endorse these initiatives, recognising the PRADS model and the AHR's capacity to unlock private sector capital - a crucial factor in growing the supply pipeline of affordable housing in Australia.

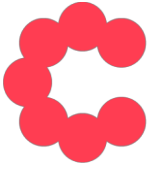
Initiatives aimed at unlocking more affordable housing are paramount, along with ensuring an adequate supply of retirement villages, build-to-rent developments, and purpose-built student accommodation assets.

The Property Council of Australia remains committed to championing these initiatives and collaborating with all stakeholders to address the urgent need in our nation's housing landscape.

Sincerely

A handwritten signature in blue ink, appearing to read "Matthew Kandelaars".

Matthew Kandelaars
Group Executive, Policy and Advocacy
Property Council of Australia



**Committee
for
Sydney**

T: + 61 2 8320 6750
E: committee@sydney.org.au
Level 33 200 George Street
Sydney NSW 2000
ABN: 30 332 296 773

Mr Robert Pradolin
Executive Director
Housing All Australians

12 March 2024

Via Email: Robert.pradolin@housingallaustralians.org.au

Re: Housing All Australians' Permanent Rental Affordability Development Solution and Affordable Housing Register

Dear Rob,

We are writing on behalf of the Committee for Sydney to express our support for Housing All Australians' Permanent Rental Affordability Development Solution (PRADS) and the PRADS affordable housing register.

The Committee for Sydney is the city's peak advocacy and urban policy think tank. We work with our 160+ member organisations – who represent industry, government and the cultural and not-for-profit sectors – to produce research and policy recommendations on key issues for Sydney.

Addressing housing issues is a top priority for the Committee, given Sydney's growing population and its position as one of the most unaffordable housing markets globally. We recognise the urgent need for collaboration between business, government, and the community to address the shortage of affordable housing.

We have long supported the work of Housing All Australians, including their Give Me Shelter report, which highlights the significant cost of underinvestment in social and affordable housing. Governments alone cannot solve this problem, which is why we applaud Housing All Australians' innovative PRADS model and the development of the PRADS affordable housing register.

The need for a comprehensive, clear and transparent register of affordable housing will be critical, especially given the planning bonus' given to deliver this product in NSW.

We are enthusiastic about supporting your initiatives and wish you success with your pre-budget submission to the Federal Government. The Committee for Sydney remains committed to collaborating with Housing All Australians and other stakeholders to tackle housing challenges in our city and beyond.

Kind regards,

Eamon Waterford
CEO Committee for Sydney



**Commonwealth
Bank**

Michael Bennett
General Manager Property and
Construction Finance
Business Banking
Level 7
CBP South, 11 Harbour Street
Sydney NSW 2000
bennetmi@cba.com.au

Mr. Robert Pradolin
Housing All Australians
13 Fuchsia Lane
Mount Macedon VIC 3441

8/01/2024

Dear Rob,

RE: Affordable Housing Register (AHR)

CBA is committed to supporting our communities and seeks to contribute in ways that produce positive outcomes for society. We support customers with respect to housing affordability through participation in the Government's Home Guarantee schemes and through direct provision of banking products and services to residential housing developers, Community Housing Providers (CHP), and construction businesses.


The current landscape of housing affordability requires a multifaceted approach that involves innovative sustainable solutions and cooperation between private and public sectors. We welcome the work and innovative approach undertaken by Housing All Australians (HAA) and PEXA to develop a national model aimed at increasing affordable housing supply.

The Affordable Housing Register (AHR) initiative by HAA will provide a centralised national repository for recording and monitoring affordable housing commitments across local councils. Transparent and consistent mechanisms for affordable housing delivery and monitoring have the potential of unlocking private sector capital and facilitating greater cooperation between local governments and developers. HAA's Progressive Residential Affordability Development Solution (PRADS) model, which facilitates non-monetary concessions such as density and re-zoning application outcomes in exchange for affordable housing commitments can help mobilise private investment capital to meet the substantive upfront housing cost.

We believe the HAA proposed PRADS affordable housing model with the creation of the AHR, could facilitate and promote private sector participation leading to a more integrated approach to long-term affordable accommodation.

CBA welcomes AHR initiative, and we look forward to continuing to work with HAA and other stakeholders in the housing industry on improving housing affordability.

Sincerely,


Michael Bennett
General Manager Property and Construction Finance

iv. [Extract of the PEXA Annual Report](#)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sustainability

PEXA remains on target to be net zero by 2025 across Scope 1 and Scope 2 emissions and, with the development of our carbon management plan, we are focusing on long-term environmental emissions reduction across the PEXA Group.

Social impact - PEXA giving back to the community

PEXA is proud to be a long-time partner of social enterprise, Homes for Homes,¹ supporting its long-term mission to end homelessness in Australia.

PEXA and Homes for Homes began working together in 2016. Between 2021 and 2023, PEXA has granted \$300,000 to Homes for Homes and is pleased to continue the partnership into FY24.

In FY23, PEXA began a partnership with Housing All Australians to build a national Affordable Housing Register - aimed to drive transparency, efficiency and trust in affordable housing programs. PEXA looks forward to continuing this partnership and important work.

The journey to sustainable and genuine reconciliation

PEXA proudly supports the Uluru Statement from the Heart and believes that meaningful engagement with First Nations communities is a key part of achieving this vision. In FY23, PEXA completed its inaugural Indigenous Engagement Strategy (IES) which will roll out over the course of FY24 in target areas of employment, products and services as well as community.

ESG governance

In late FY23, PEXA undertook its inaugural ESG Materiality Assessment. The process involved feedback from PEXA's leadership team, its customers, employees and investors. This resulted in the identification of current and developing ESG topics of interest to the PEXA Group and its stakeholders. The outcomes of our assessment alongside our corporate risk management frameworks will inform the next phase of PEXA's ESG strategy and governance practices.

"Housing All Australians firmly believes that collaboration with value-aligned private sector organisations, such as PEXA, can play a pivotal role in addressing Australia's housing crisis. PEXA has demonstrated its commitment by contributing its expertise to develop the PRADS Affordable Housing Register, a groundbreaking initiative that facilitates the unlocking of private sector capital, at scale, to support the delivery of affordable housing nationwide. We consider ourselves incredibly fortunate to have PEXA as our partner in our mission to help resolve Australia's housing crisis."

Louise Futton, Chair and Co-Founder, Housing All Australians

¹ Homes for Homes is a social enterprise - backed by The Big Issue - where property owners choose to contribute 0.3% of the sale price of the property when it sells to support Homes for Homes which in turn pools the funds and disburses them to community housing providers to increase the supply of homes to those in need.