

## Precisely Property Podcast Season 1 Episode 2

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### Affordable Housing Insights: The Progressive Residential Affordability Development Solution (PRADS) Model

Charter Keck Cramer and Precisely Property Podcast respectfully acknowledge the traditional custodians of country throughout Australia. We pay our respects to their elders, past, present and emerging.

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**Richard:** Hi, everyone, welcome to the Precisely Property podcast. I'm your host, Richard Temlett.

Today, we are going to have a discussion with Robert Pradolin. Robert's been active in the property industry for over 40 years, most recently as general manager of Fraser's Property Australia, or formerly Australand, where he was for over 18 years. He's the founder and director of Housing All Australians. He's on the Board of Homes Tasmania and Livery Housing, which is formerly Summer Housing, which is a disability housing provider. Through his career, he has sat on a number of industry bodies, including the Property Council of Australia - the Victorian Division, the Residential Development Council, the Housing Industry Association, Victoria, the UDIA Victoria Division, Salvation Army Housing, Livable Housing Australia, the Heritage Council of Victoria, and was on the Victorian Board of Advisors in the Property Foundation.

Welcome, Rob.

**Robert:** Well, thank you, Richard.

**Richard:** Rob, as we were discussing just offline, the purpose of today's discussion, but also the overall podcast, is really to get preeminent experts across the various forms of the real estate market and obviously, today's housing, to talk about what they're doing, to provide evidence and expert views, to educate the industry. And as you well know, and we've discussed this a lot, and I've also done a number of bodies of work on this, we certainly have a rental and a housing crisis. We also have a social housing and an affordability crisis.

Every day, I pick up the newspaper or I speak with people, and they're always talking about the problems that we have, and we absolutely do have problems. And no doubt today, we'll talk a little bit about how they've been caused. But in my travels, what was so refreshing is I'm on a bit of a mission to meet people that have ideas or solutions to start to address the housing crisis or the affordability crisis. And I had the privilege a while ago now of being introduced to yourself and also the PRADS Model, and it really caught my attention because I think the concept behind it is incredibly clever. And as I discussed it with you and the more I learned about it, the more I wanted to really understand it but also start educating the industry because I feel that there's a significant impact that this model could have.

And so today's discussion is to really just understand how that all works, also what you're doing, what you need from governments, hopefully to just start moving the industry forward. So, before we get into that, though, could you please just tell us Housing All Australians, what is Housing All Australians?

**Robert:** Well, let me sort of set the framework for this discussion because, obviously, social afford on public housing is normally a social issue, not a private sector issue. But when I speak publicly, I start off and say, I'm a capitalist. But just because I'm a capitalist, it doesn't mean I don't care about vulnerable people.

And while I was at Australand or Fraser's when I was selling apartments, housing, and land to people that can afford it, like most Australians, I assumed our governments were looking after our vulnerable people, and they weren't. And the more I delved into it, the more I realised the government has actually dropped the ball decades ago and allowed this to fester for several decades, as I said earlier, and now it's become a problem and, surprise, surprise, all of a sudden, we've got a housing crisis. This has been developing for a long time. And the first framework is we have to realise that if it's taken a long time to get here, it's going to take a long time to get out, if we're serious. At the moment, it's all talk, and I can't see anything that's really serious about it.

**Richard:** So, Housing All Australians, why was that set up, and what is it actually doing right now?

**Robert:** Well, Housing All Australians is a private sector initiative looking at housing and its ultimate connection to homeless through an economic lens.

There's enough doing the social side. We're looking at economics because, ultimately, it's the same issue, and it's got social and economic implications for our future Australia.

So, we start off with a simple one-page strategy that still guides us, and I won't go into all of them other than to highlight it. The first one is let's use the existing infrastructure that's already built, and we're refurbishing buildings around the country that are sitting dormant waiting for the next development cycle. We've got Mirvac, Hansen Yuncken, Better Living Group, Henley, all wanting to help and actually do their contribution philanthropically to help vulnerable Australians. We got CSR, Interface, Quest Apartment Hotels, Dulux, all contributing their products for free to help vulnerable Australians. What I think Housing All Australians is morphing into is an organisation that is private sector based, with value aligned people, wanting to get something done with people that understands their language.

They've always wanted to try and do something, but never knew how to physically do it. So, we are now in every state and territory except Northern Territory, and that's only because we haven't got there yet. All with value aligned business people, which I'm now terming 'compassionate capitalists'. Because, ultimately, that is the system we're in, but it doesn't mean we don't care. So, we're mobilising the private sector to reshape this national conversation because, to be quite frank, I'm over waiting for government.

It's got too much long-term implications for our grandkids, and, unfortunately, governments are looking at 3 and 4 year windows, and that's just not good enough.

**Richard:** Well, Rob, that's very refreshing to hear, and, certainly, I've also picked that up in the sense that the government decisions do seem to be made based on the next election cycle rather than the next property cycle. And I certainly I've had a number of chats with you off record/off the podcast, but we'll talk about it today. I commend you for what you're doing because, the industry certainly needs more people like yourself to start pushing these solutions forward. You're absolutely right.

It took us a number of decades to get to where we are now, and it's going to take probably that period of time to get out of it. It's very inspiring also to hear that you're looking at it from a I suppose, a capitalist, but also a private sector lens because, certainly, the private sector will have to do a lot of the heavy lifting. That being said, the government certainly has an enormous role to play. Before we get into some of the discussion, you made a point about the economics of everything. And I think what you're hinting at, but we'll see if I'm correct, is when we've discussed in the past when we talk about affordable housing, we've identified when we speak with the industry that it actually needs some sort of a subsidy.

So, is that what you're talking about when you say from the economics? Or maybe just for our listeners, could you unpack a little bit more about what you mean by the economics?

**Robert:** Sure. And it's got a couple of lenses to it. The first one is that every bit of affordable housing needs a subsidy.

The private sector does what's economically viable. Anything that I'd now term 'non-market housing' be it affordable housing, social housing, public housing, needs a depth of subsidy if we want the private sector to deliver it for government, because ultimately, government builds nothing. So, when I talk about economics, one is the viability of it below market housing. The second one is the business case. One of the first things we did when we formed the organisation. And just before I go further, it's not only me, it's a range of people, from our chairs, Louise Rutten, to Lisa Kingman, who works for John Wylie, a whole range of people that's formed Housing All Australians. We've probably got about 40 people nationally all trying to pursue this purpose. But one of the first things we did is commissioned an economic report from SGS Economics. I said to Marcus Spiller (SGS Economics & Planning), who has been discussing this with me for over a decade, we want to do a report in what is the long-term cost to Australia of not building sufficient social, affordable and public housing. Now we did a report released a couple of years ago now, at the time, and this is in today dollars, and this is extra - by 2032, it's going to cost the Australian tax payers an additional \$25 Billion per annum for the unintended costs of lack of shelter. The concern as a father is I think future taxpayers will not be able to afford that. So, what happens? The Australian values that we know today will be watered down. We are heading for a lose-lose scenario.

We are normalising homelessness, we're getting used to it, therefore, we don't see it anymore. Yet in LA and San Francisco that never had homeless once upon a time, 74,000 people sleep on the streets. We do not want to become America. And the private sector voice and the mobilisation of the private sector is the only way we can change this narrative.

**Richard:** Great.

Well, I've definitely read that report, and we'll put a link in the show notes to, anyone that's listening that either has not read it or is interested to read it. I am keen to start unpacking the PRADS model and affordable housing. And I think I'd like you to please just explain it given, obviously, you've had the genesis of it. So please, could you explain what it is, how it works? I know that you've got a case study, and I'm keen to just unpack that case study and, again, going back to the economics of everything. And that's one of the key findings, especially for all our government listeners. The affordable housing does need to be subsidised. It does need to be economically viable. So, what is the PRADS model, and how does it work?

**Robert:** Well, let me go back to how it first sort of started in terms of getting confidence because, obviously, we're all, developers are all about risk mitigation. Right? That is our job, we happen to produce apartments,

housing, and land. So, when during the NRAS, which is during the Rudd era, they, had this, effectively a licence which subsidised the affordable housing so the private sector capital is unleashed, and you can actually rent it below market rent, and the tax subsidy subsidised it.

So, we used it at Fraser's to sell apartments, but we did only on one condition. We had to be the property manager.

**Richard:** Okay.

**Robert:** Because rightfully or wrongfully, if there's a perception that it's actually social public housing, we will not sell our next stage. And that was at the Parkville Gardens, which should be going for 15 years. And this was directly after Comm Games finished. We built the first tower that actually had some, NRAS housing, but we had to manage the perception.

**Richard:** Sure.

**Robert:** So, once I left Fraser's and started Housing All Australians, this is one of the models I said, well, this is actually a voluntary approach. That by working with local government and by the way, we don't need state or federal approval for this, you just need the local government to trust the robust governance structure. Affordable housing needs a subsidy. Working with a value aligned local government that trusts us, and that's our biggest issues in industry, no one trusts developers. We're all perceived to be greedy bastards, and yet 5% take the whole industry, and we've done nothing to call it out.

But let's put that aside. If you work with local government, say, "look, I bought this piece of land, I know we've got a housing crisis. We want to do affordable housing for key workers that work in the local area. Work with me and give me extra density or save me time because that quantum of increase in value, I will use as the subsidy for the affordable housing." So, therefore, my viability doesn't change. That's through collaboration. And local government have the levers to add value to land with no cash. So that's the premise of the affordable housing model.

Nightingale Housing, who are very strong allies of ours, we work very closely together with the City of Merri-bek, they work with them to get an incorporated plan with 2 density outcomes. One's the standard 5%, which Nightingale would do in most projects, and the second one, they said, give me some extra floor levels to increase the value of our land, and we'll go from 5% to 15% affordable housing without changing the economics. That can unlock affordable housing through the country without using any government cash. It's a value capture mechanism.

But the important part is that how do we unlock the existing property ecosystem? I love the community housing sector, but we cannot solve Australia's \$290 Billion shortfall just through a small sector. How do we engage the property ecosystem? Well, by engaging real estate agents that follow guidelines that are robustly tested to make sure compliance and governance is actually adopted, we can unlock the existing ecosystem. Property managers, like Frasers, can actually manage affordable housing because it's normal people, it's not the ones with complex needs, so that's actually more social housing. And we can start driving affordable housing. So, a key element of the PRADS model is the PRADS register. And what that does and for your listeners, this comes out up at a number of nuances, serendipity moments, but at the moment, councils keep the logging of affordable housing on spreadsheets. There is no centralised register.

So, under the model, this affordable housing register, which is being developed for us by PEXA, they're a public company, as your listeners may know. In their annual report, one of their commitments is to help in homelessness. So, this is their effect to try and help that. So, on this national register that locks the obligation in and makes it transparent, you put effectively the NRAS governance structure, which is established and being used by the private sector, in a digital format so that everyone, rather than clunker emails with attachments for bank statements and stat decks, it's all done electronically. You can actually provide access to local government, to all the compliance obligations that can, in fact, be in perpetuity to ensure that all the obligations are met. You can then lock that in, as Norton Rose Fulbright have advised us, with a restrictive covenant and sell it to someone in Timbuktu. And the below market rent will actually be monitored for the economic life or in perpetuity, depending on what the negotiation condition is. The Commonwealth Bank, which is one of our supporters of the model, have confirmed this will unlock private sector capital to drive affordable housing. Our federal and state governments cannot fund this thing alone. It must engage the private sector to fund this for the long-term interest of Australia.

**Richard:** Great job. That was absolutely fantastic. Thank you for giving that overview and background. I did have a couple of questions just to not so much stress test your concept, but just to put more meat on the bones, so to speak. The first point you made, and it's a very important one that I think the industry still needs to truly understand.

You made a comment about the perception of affordable housing, how that needs to be overcome, and how government needs to actually understand it. And you made the comment about in the project that you spoke about being worried about the impact on rents or prices. What is your experience in terms of how well the industry actually understands what affordable housing is, and what has been the impact that you've seen in your experience on both prices and rents?

**Robert:** This is one of the biggest national problems we have because every state government and federal government has got a different definition of affordable housing. In Victoria, specifically, they refer to affordable housing and social housing as the same thing.

That starts to get people concerned about, rightfully or wrongfully, because I've got a view we have to have a long term cultural change here because they are just people that have got issues in their life, and we need to be very humanistic about, but the reality is the subconscious is I'm not going to pay as much for that property if it's got a public housing next to it. That's something we have to face as developers. So, the first thing and I know the federal government's trying to do this by standardising the definitions of affordable housing and social housing, and New South Wales government's being tasked by the housing ministers to actually try and do that, it's going to be very, very hard to actually get a national consistency. But in our view, the private sector is best placed to do affordable housing, which is respect to key workers

**Richard:** Okay.

**Robert:** Because that is something that requires the least amount of subsidy because social housing requires a deep subsidy. So, my definition of affordable housing is housing that's for key workers on low incomes that we need to serve as society in the area society needs it. We can't afford them to be travelling 3 hours to come to work. It's inefficient for our society from an economic perspective. I've spoken to companies in Queensland that are a public company that they're only 60% efficient because they can't get workers close to where they need them.

This is an economic issue for Australia as well as a social issue for Australia.

**Richard:** Gotcha. Okay. Thank you for that. Look, certainly, in the work and the advice that I've given, there is a very, very big misunderstanding of what affordable housing is.

A lot of the buyers, as you quite correctly said, seem to just assume affordable housing is social housing. I act for a number of different developers who work with community housing providers, whether it's for people that have come out of domestic abuse and so forth, which is very different to what the perception is. And it is a growing, unfortunately, it's a growing segment of that market that does need to be housed, and that's I think the government could go a long way to actually standardising and educating the market on what affordable housing is. Because with where house prices are and where they're going, there's going to be more and more people that actually most likely meet that definition of affordable housing.

**Robert:** Oh, there's no question about that.

And, again, for your listeners, one of the things that we, one of our philosophies I suppose you could say, is that government are a very, very key stakeholder, but we're not prepared to wait for them. Because if we do, nothing's going to actually happen. And one of the things that really I was ashamed of as a man is when I discovered that women over 50 were the fastest growing cohort of homeless in Australia.

**Richard:** I've seen those stats. Yes, you're right.

**Robert:** And we actually helped fund the documentary that Margot Robbie actually narrated for us. And it was actually launched in Melbourne Film Festival. It is still doing the rounds nationally today where corporates say, "I want to do a screening with my clients and my staff and share this piece as an educational piece because they look like your mother, your sister, and your daughter."

And I've had so many corporates come up to me after seeing the event saying, "Rob, I did not know that actually was the case. How can we help you?" Because we are all about the private sector collectively getting together with their business voice and skills and services, and starting to shift the dial nationally. And once we start shifting the dial without government, government comes and says, "How can we help you?" So, it is a bit of a reverse psychology. We have to be patient, but we can't afford to wait for government.

**Richard:** Gotcha. We'll also put the link because you have kindly sent me that link to the video previously. We'll put that in the show notes. One thing I'm also keen to just unpack with you a little bit more, and I've heard this from the government when we've spoken about what the tools and levers are to facilitate the supply or the feasible delivery of affordable housing, they keep saying, well, we're in a massive budget deficit, and we can't afford to just be going into greater levels of deficit.

But I'm interested for you to just explain a little bit more about, with the PRADS model and the density bonus, whether there would be any actual deficit to the budget any more than there already is, and also what some of the outcomes might be if that additional density and the supply gets delivered in terms of certain taxes and charges that could be generated with supply of new dwellings.

**Robert:** With the PRADS Model itself, it's cashless. It's sharing additional uplift that doesn't impact the feasibility. And when I say that, I'm not talking about where someone's actually overpaid for a site. If someone's overpaid for it, that's really their problem. But if you pay market, then you need to be able to get some density bonuses to grab the subsidy for the affordable housing. But getting back to your first point about deficits. Deficits are very, very important to maintain. But the original business case that I mentioned earlier, about the 25,000,000,000, it's got an average cost benefit ratio of 2 to 1, which means for every dollar you

invest in housing, you mitigate \$2 of long-term cost to future taxpayers, which are going to be our grandchildren, our descendants. So, in some respect, given the markets and the building sector's imploding at the moment and nothing's economically viable, that's when the government has to actually step in and top up what I'm saying is the 'uneconomic bit' to get houses built for this country because the underlying business case is so strong in terms of mitigating future taxpayers' costs that it must be done.

We, as taxpayers, pay our tax. We expect our federal and state governments to collaborate to maximise the use of those tax dollars. But I can tell you there's no federal government's going to spend money to save the state government's money, and I just think that's just wrong. So, I think there is a win-win here. Governments need to step in and top up the uneconomic bit.

Let's build housing while the market is actually noneconomic and not viable. Let's use this time to get good house pricing, but it's going to be more expensive than what it would have been because of all the issues that we're facing. But to do nothing is just not an option.

**Richard:** Look, I agree with you, and we have to just keep moving forward, and that's why I'm also very supportive of both your efforts and just the PRADS Model overall because I actually think it is one of the solutions, one of the tools that we really should be exploring.

When you've described the PRADS model, I can see how it would work on an apartment site where you get greater levels of density. Could it work on townhouse or greenfield, house and land sites, or is this really going to be location or project specific?

**Robert:** It can, in theory, work on any site. The whole thing is you need to unlock value that is not previously available. And I'll take an extreme case.

I want to rezone a piece of land, the biggest issue for developers is time. You save me time upfront, I'll be able to give away more than if you drag this out for years because I've then got holding costs. It's a matter of sitting down and respecting the drivers that will drive feasibilities, acknowledging what we can save as a community, getting a grander purpose where we may not all be happy with the outcome, but we're all prepared to live with it, and working collaboratively.

This will not be solved by not working collaboratively. So, in the greenfield sites with rezoning, anything that saves the developer money, that saving can, in theory, be put towards the subsidy for the affordable housing. And I'll just touch on one thing with the Build to Rent because I know that's something that's, recent, we submitted a paper with regard to the draft legislation. Because with the build to rent concessions going from 30% to 15% and the increased depreciation, the government said, "Yes, we'll let you do that, but you need to produce 10% affordable housing."

So, if I produce 9% affordable housing, it's not acceptable, and therefore nothing happens. Going back to the register, it's a mathematical equation. Back solve. If you want to maximise the use of the concessions given by the federal government, put them in transparently and back solve for every single BTR that needs it. That way every Build to Rent project will deliver affordable housing based on what it has to work with, based on the area that the Build to Rent is actually located because the rents are very, very different.

**Richard:** Yes. Very cool.

**Robert:** Let's not use any opportunity not to deliver affordable housing because, ironically, they're the workers that are going to be working the local community where the Build to Rent is to service society. It's a bit of a no brainer, to be quite frank with you.

**Richard:** Absolutely. Rob, in terms of the roles of government developers in the finance industry, let's start with government. What do you actually need from government, or what more do you need?

**Robert:** Well, to derisk it for government, we don't actually need anything other than if they think the ideas are meritorious, support us by advocating for what the private sector is actually doing. We have to be transparent, requested from the federal government to assist us with some funding to help accelerate the development of the register because PEXA has agreed to do it pro bono based on their resources availability. That means that whilst it's a very great noble intention, it's going to take longer.

Give us some funds to help accelerate in the national interest the development of the register to start to unlock private sector capital. And think of the register in a very holistic way because this is a scale problem. This issue exists over regional Australia as well. Now CHPs (Community Housing Providers) don't exist in every single regional part of Australia, but you have a local government, you've got a developer, and you've got a real estate agent. Transparency through the register would allow the affordable housing to be done at scale.

And if you take it because some of these things are grand visions, if you accept the fact that you can actually lock it up with a restrictive covenant and sell it to mum and dad investor, take one more leap forward and fractionalise the ownership of affordable housing. You've just democratised the funding of affordable housing, and Australians does not achieve anything. We have to be innovative, and, yes, we have to start feeling uncomfortable, and that's whether the private sector, whether it's government, local government, because if you're not uncomfortable, nothing changes. If we sit within our comfort zone, it's just



business as usual. As a country, we cannot afford to do that, and we see housing all Australians as a fundamental economic platform for a future prosperous country, and we all have obligation to try and achieve that.

**Richard:** Rob, I'm actually smiling because you made the comment about being uncomfortable or getting used to being uncomfortable. Certainly, that is a lot of what this podcast is about. It's talking about the issues that either people don't go into a lot of depth talking about or don't want to acknowledge. So thank you for, I suppose, being brave and actually putting us into that uncomfortable position because that is where progress is made. So, again, I commend you.

In terms of finance, what do you need from the from the banks or the smaller lenders? Obviously, you've spoken about one of the big banks. Do they understand the product? Do they have any issues? And I suppose the question I actually had for you, and I can't remember I was thinking about this the other day, you comment that there's a restriction on the title. Does that have the potential to distort the market when there's resales, or how does that all work?

**Robert:** It's a good question, and we have thought of that because we've got a subcommittee that's headed by a former executive for Bendigo and Adelaide Bank, and that subcommittee includes the Commonwealth Bank. So, part of what happened with NRAS, so the banking sector tells me, is that the 10-year limit and the whole range of other restrictions wasn't attractive to the banks. What we're trying to do with this restrictive covenant is put on it in such a way that if the extreme case comes and it's actually mortgagee in possession, the covenant comes off so the bank realises it's full value.

**Richard:** Okay.

**Robert:** And the differential that's left over stays in the LGA for affordable housing.

**Richard:** Okay.

**Robert:** It addresses all the banks' concerns that were previously around NRAS. So, this banking subcommittee will inform the restrictive covenant to make sure that the banks are comfortable with funding this. And if you really think about that in terms of a bank perspective, you've just derisked it, because there's not many mortgagee in possessions for affordable housing that I think will happen. The few that do, the covenant comes off. The bank then is comfortable to realise its value. The rest of the money stays in the LGA because we acknowledge that the local government would have given away a planning concession or something to achieve that. It's only right that it actually stays in the local government for further affordable housing if that event ever occurs.

**Richard:** Great. Oh, that that makes a lot of sense. I know we're getting towards the end of this episode. Is there anything else that you wanted to talk about or that you'd like to educate the industry on?

**Robert:** What I would like to talk about is one more issue, which I've now started to share with the federal government and the state governments. And this, again, is a private sector issue that we can actually advocate for. We are in a building crisis. The industry is imploding at a time with desperate need. And, yes, it's going to be more expensive to build these homes, but there's a business case for government to top up the uneconomic bid.

But what about sweating the existing infrastructure more? We've got, as Scottie Keck has said to me many times, 13 million empty bedrooms. Unlock 1% for key workers, and, yes, there are issues, safety, all that stuff, but let's say we get rid of that. Unlock 1%, a 138,000 rooms for key workers. But it's never going to happen at the moment because if I'm a pensioner and pensioners are probably in very good locations because they bought many, many years ago, if I earn \$1 of income, borders, I lose my pension and my capital gains tax exemption.

And we've got Maddocks that have provided advice to us confirming that. SGS Economics have actually provided an economic case that says irrespective whether you get taxes for that income, by unlocking it, the cost benefit ratio to the federal government to actually increase supply without building it is in excess of 2 to 1. Again, it's a bit of a no brainer to me. Even if it's a 10-year window to say pensioners, "We're asking you to come on board to help Australia through this housing crisis by utilising some of your empty bedrooms for key workers that are verified through this process", whatever that process is. That's a pressure relief valve.

Why do we have to always just focus on building new as important as it is, let's sweat the existing infrastructure much, much more during this time when the industry is imploding. And the other one is the empty development sites that I mentioned earlier. We've got Hansen Yuncken, Mirvac, Better Living Group, Henley, all looking to try and contribute philanthropically. And these are empty buildings that are sitting vacant waiting for someone to help them.

And I'll just end on the one we did just recently with Better Living Group that we were on A Current Affair. There were 31 empty apartments in South Melbourne sitting empty in a housing crisis. The Better Living Group and their subcontractors, there's a lot of people you know, there's too many dimensions to be quite frank, otherwise, I'll be kicked for saying you've missed me out. But over \$700,000 worth of free work and materials,

but we only spent about \$50 grand cash because we couldn't get some white goods and a whole range of other stuff.

And now we've got people living in there that wouldn't have been. I think there's thousands across the country. We're working on 2 in New South Wales, 2 in Tasmania, we're doing 1 in Perth. This is now something the private sector can actually get on board to help.

It doesn't hurt your ESG credentials. It makes your staff want to work for a purposeful company because purpose and profit are not mutually exclusive. And it helps us to solve the housing crisis together, not for us, but for our grandchildren.

**Richard:** Lovely, Rob. That was absolutely fantastic.

Just to close this off, and typically what I do is summarise some of my key learnings, and there's a few that I'd certainly love our listeners, particularly the government listeners, just to take heed of. The first one really is well, there's two ones. A proper definition of affordable housing, I really think, would go a very long way to helping a lot of people understand and educate the industry. I speak with a number of developers and even councils, and that definition creates uncertainty, and it's very difficult to make investment and development decisions with an uncertain definition.

The second one, definitely, that I've learned from yourself is that affordable housing needs a subsidy. I think your model is very clever, particularly because there's no real excuse from the government to turn around and say, well, we're going to go into further deficit by giving away, you know, more money, quite simply because they're as you said yourself, it's cashless. So, I think that that's also another important finding. The final one that I will leave with is your comment about our kids and our grandkids, and I think that that is something that I've had traction with the government when they start thinking about where their own kids where their own grandkids are going to live and how to set up Australia and because we're recording this from Melbourne, how to set up Melbourne for the longer term. The decisions need to be made not through a political cycle, but through a property cycle, and it is just for the benefit of future generations. I think that's absolutely essential.

I just will conclude by commending you for really leading the market in this way. I know you've had a lot of help from various people along the journey, but just getting them on board, helping them support you, well done. And I commend you for being one of the market leaders in this space. So thank you very much for coming on, and I certainly hope to have you on again.

**Robert:** Thank you, Richard.

And if there's any corporates out there that want to help, just contact us through our website, and we'll be more than happy to talk to you.

**Richard:** Fantastic. Yes, I'll put a number of links in the show notes, and I encourage our listeners, please do reach out. Rob's absolutely fantastic. He's very generous with his time. Also, governments, clients, or people that are interested in learning more, he's got a number of case studies. I'm looking at one in front of me right now, which really makes quite difficult concepts quite simple. And when you actually understand it and you can see how it all works, the impact that we can have, especially on key workers who've done so well for us during the pandemic and really, I suppose we also do need to repay the favour and house them accordingly, I think this could be one of one of the solutions to actually move us forward. So, thank you very much again, and we'll be talking soon.

**Robert:** Thank you, Richard.

**Richard:** Thank you very much for listening to this podcast. If you enjoyed the episode, please make sure to subscribe to our podcast so you never miss an episode as we've got more exciting content coming. We'd love to hear your thoughts. Please leave us a review on either Spotify or Apple Podcasts as it really helps us to grow.

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