

Finances & Strategies

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Strategic Asset Management & Finance Unit

Directions

- ❖ Making the system work better to provide for those in greatest need.
- ❖ Leveraging system resources to provide additional housing opportunities in home ownership & affordable rental

Social Housing Stock Profile

- ❖ Over 52,000 dwellings (88% SAHT, 8% SACHA, 4% AHA)
- ❖ Metro – 78%
- ❖ Approx 30% detached, 50% attached (of which approximately half are DUs - less so in AHA) and 20% flats/units/other
- ❖ Approx 50% are 3BR – of which 68% are smaller than new construction size requirements for 3BR
- ❖ Ageing – 30% over 40yrs, 66% over 20yrs
- ❖ Condition – 11% AHA & 5% SAHT are nearing end of asset life cycle (45% AHA 'as new' vs 19% SAHT)
- ❖ Asset Value \$6.6 billion

Key Issues for Asset Strategy

- ❖ Strategy for ageing assets
- ❖ Stock types – what is most appropriate
- ❖ Amenity & condition benchmarks
- ❖ Leveraging value

Tenants & Stock Utilisation

- ❖ >50,000 households (88% SAHT, 8% SACHA, 4% AHA)
- ❖ Small households: 55% single, 21% single parent
- ❖ Older tenants: 22% <40yrs, 23% 55-69, 23% 70+
- ❖ Low income: 85% subsidised renters
- ❖ New allocations: most Cat1, 54% single
- ❖ Many singles in 3BR housing (around 1/3)
- ❖ Approx 20% new tenants <1yr tenure
- ❖ Turnover rates

Key Issues for Asset Strategy

- ❖ Suitability of stock for current & future tenants:
 - Future needs of current long term tenants (ageing)
 - Impact of new tenants – ‘churn’ rates
 - Flexibility to meet changing needs
 - Housing policy impacts – targeting, tenure

Strategies – Social Housing

Better targeting and coordination of

- ❖ Stock transfers between Agencies
- ❖ Capital investment of \$177m (newbuild, urban regeneration, capital maintenance)
- ❖ Demand management
- ❖ Asset management (sales, maintenance etc)

Leading to better

- ❖ Match of stock with need
 - Stock types
 - Condition / Amenity standards
 - Location

Strategies – Affordable Home Ownership

- ❖ The EquityStart program
 - EquityStart component – an additional loan increasing buying power, not shared equity
 - CPI linked, repayments are optional (with conditions) until primary loan is fully repaid
- ❖ EquityStart safety nets
 - For social housing – inspection reports and appliance warranties
 - Home buyer seminars
 - Repayments linked to income
 - Property values tend to increase to CPI over mid-long term
 - ‘Social Landlord’ program
- ❖ Additional affordable home ownership opportunities – eg Gilles Plains mews housing (SAHT)
- ❖ Stamp Duty and Property Transfer fees

Financial

- ❖ Make optimal use of a \$6.6b asset base
- ❖ To house those in greatest need
- ❖ Divest & Reinvest (eg EquityStart)
- ❖ Leverage additional opportunities
- ❖ Viability – funding operations and debt
- ❖ Increased housing outcomes