

# RETURNING REAL AFFORDABILITY TO HOUSING

For many households, rent or mortgage payments are the largest cost in their budget. This is now a national crisis.

As Government capacity to fund housing that is really affordable for the lower income households is limited and the cost to purchase or rent is increasing faster than personal incomes grow, it is clear a new approach is needed. That's why ShelterSA created CapitalAsset.

## Homes not Handouts

CapitalAsset Developments achieve real housing affordability for those who need it. They add value to land and under-used buildings to achieve both social outcomes and market rate returns. ShelterSA partners landowners with social impact investors in this bold, ethical and socially responsible housing innovation. This allows people to establish a permanent home, so they again are a positive contributor to the community.

Underpinned by universally accepted business modelling parameters, the approach allows assets to perform at their best, achieve social outcomes and deliver the services and facilities their owners' desire. This approach is replicable for any asset type, location and consortium combination of landowner, developer and financier.

## Strategic Property Management

Asset optimisation is part of the new sustainability model that goes far beyond environmental impacts. Financial options management, additional income opportunities, sustained benefits contributions and benchmarking analysis are just some of the strategies now being incorporated to not only make assets perform at their best, but deliver the desired services and facilities.

Undertaking a CapitalAsset Development is the innovative approach to creating affordable housing whilst also achieving both beneficial financial and social outcomes.

In fact, these types of business models for community-led housing have been around for centuries, with the earliest established in Bavaria in 1516 still in operation today.

## Enriching Community

With ShelterSA taking active supervision, a CapitalAsset Development is an exemplar of housing that offers real affordability and responds to sustainability in design. This is in stark contrast to conventional reduced-cost social housing, where savings are often made through designs offering less personal amenity, using lower quality materials or higher density planning.

Through a CapitalAsset approach, there is a housing mix of owners, renters and property investors. The built form offers reduced energy and maintenance costs and spaces that allow people to connect and collaborate to create community.

While some houses are retained for income-based rental, others may be offered for sale, primarily attracting first home-buyers, downsizers and property investors. All residences are completed ready to furnish and live in. These developments feature shared community spaces and may include some commercial or retail areas.

An appropriate social mix is achieved through ongoing tenancy management that considers age, gender, culture, disability and income, achieving diversity across household type and incomes.

## Be Involved

In a CapitalAsset Development consortium, all participants enjoy benefits - landowner, developer, financier, investor and occupier - with the positive social outcome of more South Australians with an affordable and secure place to call home, appropriate to their needs.

As an additional incentive to undertake a CapitalAsset Development, sample business model and project management approaches are freely available, together with advice, strategies and tactics to help mitigate risk.

For a confidential appointment to explore your opportunities in undertaking a CapitalAsset Development, or simply to learn more about this innovative approach, please contact us at [sheltersa@sheltersa.asn.au](mailto:sheltersa@sheltersa.asn.au) or telephone (08) 8223 4077.



## REALISING AFFORDABILITY

The National Rental Affordability Index evaluates housing rental affordability. Current data indicates thousands of Australians are experiencing a housing affordability crisis.

It confirms that the lowest two income groups are paying more than 85% of their household income on rent, when 30% is considered affordable.

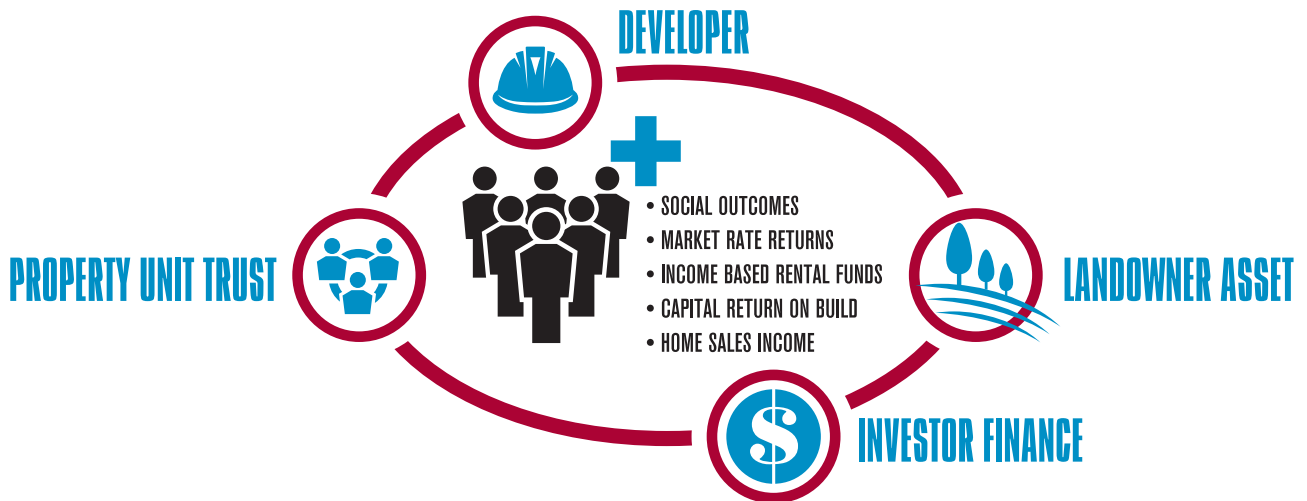
This dire housing need calls for real improvements. Government capacity to fund housing that is really affordable is limited and the availability of affordable housing relies on inclusionary zoning requirements applied to large-scale housing developments.

CapitalAsset returns affordability to housing, increasing the supply of income-based rental property in South Australia.

# TENANTS



The South Australian peak body for housing



A Minimum Risk, Asset Protected, Social Impact Investment Combining People, Place and Purpose

## NON TRADITIONAL PARTNERSHIPS

Achieving Social Outcomes and Market Rate Returns



### BUILDING VALUE

Through sound investment and sensible partnerships CapitalAsset housing developments achieve market rate returns and social outcomes. They may also contain commercial, retail and community spaces.

A "Build-Own-Operate" Consortium of landowner, developer and social impact investors transform land and under-used buildings into more valuable assets and determine the mix of dwellings for rent or sale. As a basis, 25% or more of the homes are offered at income-based rents, no greater than 30% of the household's income, and some of the housing may also be sold.

Additionally, the design, construction and materials must respond to environmental factors, amenity, sustainability issues, community mix, social inclusion and the requirements of private and shared spaces.

**DEVELOPERS**



### ACHIEVING GOALS

This is the innovative way that not-for-profit organisations can better achieve their social outcomes.

As a social impact investment, it combines asset, capital and expertise to safely unlock value, add value, generate cash flow and further contribute to community.

By regenerating an under-performing asset, no longer is the decision to 'hold' or 'liquidate' vacant land or under-used buildings. Often owned by not-for-profits, charities, churches or cultural associations, these assets may also be unrealised; dormant; frozen, or held-in-trust.

These self-funding developments return real affordability to housing. Ownership may be by community title, through a Management Body, or held by the landowner with a lease-back arrangement.

**LANDOWNERS**



### INVESTING RESPONSIBLY

This community-led approach to creating new housing is a socially responsible innovation combining people, place and purpose.

CapitalAsset Developments are ethical investment vehicles offering safe, secure, long-term returns, unaffected by stock market fluctuations or sensitivities.

They are perfect for individuals, corporations and Self Managed Super Funds (SMSF). Bringing together asset, capital and expertise from public, private and not-for-profit sectors, it enables non-traditional partnerships and investment to add new value to existing assets.

These social impact investments are an opportunity to successfully invest for financial benefit and achieve the social outcome of bringing real affordability to housing.

**INVESTOR FINANCE**



The South Australian peak body for housing

Unit 44/81 Carrington Street Adelaide SA 5000 | PO Box 6207 Halifax Street Adelaide SA 5000 | [sheltersa.asn.au](http://sheltersa.asn.au)