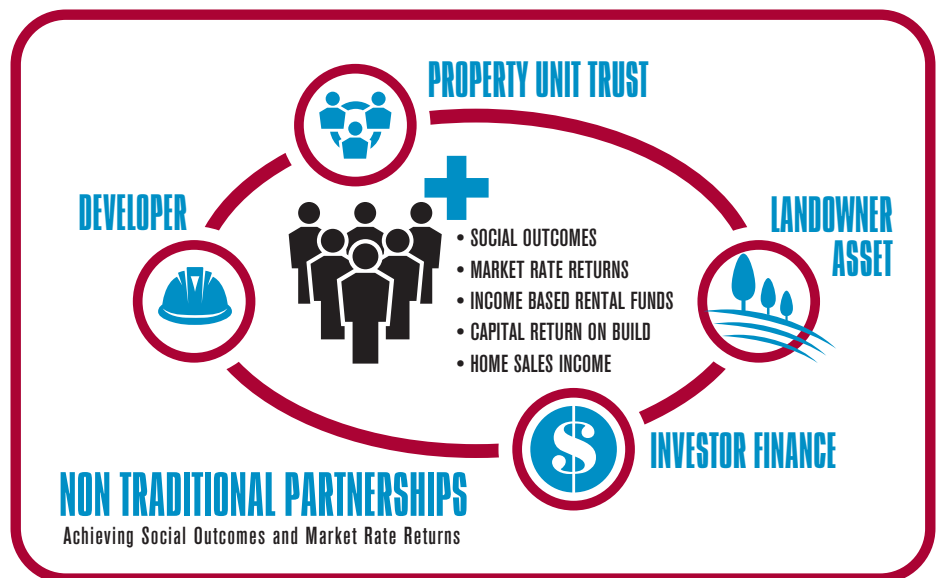


ACHIEVING A SOCIAL PURPOSE

A primary focus area for CapitalAsset Accreditation.

CapitalAsset is a bold, ethical and socially responsible innovation in housing.

By creating unique partnerships between not-for-profit landowners and social impact investors, CapitalAsset Developments safely unlock land and under-used buildings, adding value while achieving both social outcomes and market rate returns.



By regenerating an under-performing asset, the decision to 'hold or liquidate' vacant land or under-used buildings becomes immaterial. Often owned by not-for-profit organisations, charities, churches or cultural associations, these assets may also be unrealised; dormant; frozen, or held-in-trust.

Designed to achieve a sense of place and respond to built form sustainability, a CapitalAsset approach enables owners and investors to achieve social outcomes and successfully deliver on purpose.

This community-led initiative creates new housing and is a socially responsible innovation combining people, place and purpose in rewarding ways.

The Benefit is Real

As a not-for-profit, your first priority is achieving the objectives of your social mission and invariably, at their core is people. Understanding that appropriate housing is the basis upon which people can achieve better education, maintain employment and realise good health, the CapitalAsset approach aims to improve people's lives and return real affordability to housing for South Australians.

A social impact investment combines asset, capital and expertise to safely unlock value, add value, generate cash flow and contribute to community life.



The South Australian peak body for housing

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MAKING HOMES NOT HOUSING

As the peak body for housing in South Australia, ShelterSA's vision is for all South Australian's to have a safe, secure and affordable place to call home, appropriate to their needs.

Additionally, with rising housing costs out-stripping incomes the challenge is real, as it is also impossible for people to access social housing or income-based rental accommodation.

That's why ShelterSA created CapitalAsset and by taking active supervision in delivery, ensures it is an exemplar of housing developments with a positive sense of place.

A CapitalAsset Development adds value to land and under-used buildings. Regardless of whether the land is owned by governments, churches, organisations or individuals it brings the opportunity to harness land assets to provide new purpose-built housing that achieves a social mission, creates a market rate of return and increases the asset value.

Establishing People Places with Community Spaces

Traditional investment in property is often tailored to individuals or organisations wishing to maximise their return on investment and the profit generated, with both capital growth and cash flow. To create new purpose-built housing that incorporates some below-market rents, requires a different approach to these traditional models of investment.

Without any market level rents to subsidise housing portfolios, public and community housing provision is not a profitable activity in the current structure. In South Australia, the transfer of public housing to community organisations is only happening slowly. It is progressing at the tenancy management level - rather than with title transfer that could create opportunities for financial leveraging and an accelerated increase in the supply of community housing.

The price of housing has risen disproportionately to incomes over the last twenty years, placing home ownership out of reach of many people, especially those living on low incomes. For Aboriginal people, who face discrimination in the private rental market and less access to home ownership, housing should also be culturally appropriate in design and utilise high quality materials.

As land costs comprise a substantial percentage of the cost of building new housing, moving to a more strategic management of real estate portfolios is the space that CapitalAsset fills to safely regenerate an underperforming asset and create living environments that create, engage and support communities with spaces that allow people to connect and collaborate.



For CapitalAsset accreditation, a development will:

Bring together asset, capital and expertise from public, private and not-for-profit sectors.

Enable non-traditional partnerships and investment.

Add new value to existing assets.

Achieve the social outcome of its partnership consortium.

Bring real affordability to housing including the supply of income-based rental dwellings.

Creating Added Value

CapitalAsset is an innovative community-led approach to increase the supply of income-based rental property in South Australia. Providing appropriate homes and engaging public spaces they return affordability to housing purchase and rental for those who need it.

With a safe, secure, long-term investment return, CapitalAsset safely improves an asset's value and achieves the social mission of the participants. By unlocking under-performing assets, such as vacant land or under-used buildings - it's regenerating their value and safely translating them into social benefits. This is the innovative way that not-for-profit organisations can better achieve their social outcomes.

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



To qualify as a CapitalAsset Development:

The CapitalAsset 'Build-Own-Operate' Consortium of landowner, developer and investors scopes the development.

Along with housing that may be made available to purchase, 25% or more of the homes must be offered at income-based rents, no greater than 30% of the household's income.

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.

Embracing Non-Traditional Partnerships

CapitalAsset is a non-traditional approach to property development where land owners partner with social impact investors. In this self-funding approach landowners improve the value of their land and development may include adaptive upgrades and reuse of existing buildings or a completely new construction. These land assets may be unrealised; dormant; frozen, or in-trust, such as vacant land or under-used buildings.

Property ownership may be through a Management Body, or by community titles - held by the landowner and individual purchasers - or the property title may remain with the land owner with a lease over the property with it either extended or reverting to the landowner, with improvements, at the end of the lease period.

This 'Social Impact Investing' combines asset, capital and expertise to safely unlock value, increase worth, generate cash flow and further contribute to community life.



A CapitalAsset Development seeks to have:

The social mission of its' participants at its operating centre.

The business model underpinned by universally accepted business modelling parameters.

The approach followed allows assets to perform at their best so that it will better achieve the desired social outcomes and deliver the services and facilities their owners' desire along with acceptable market rates of investment return.

Achieving Asset Sustainability

Placing that concept of sustainability around finance and partnerships, not just the physical world, can be exciting and bring rewarding outcomes.

As a driver of change, sustainability practitioners are typically champions of bringing innovative approaches to community benefits.

Thinking about sustainability this way sees CapitalAsset as an innovation and value-creation strategy. Asset optimisation approaches embrace this new sustainability that goes far beyond environmental impacts. Financial management, additional income opportunities, benchmarking analysis are just some of these strategies being incorporated to not only make assets perform at their best but deliver the services and facilities their owners desire.

By returning real affordability to housing, people are now able to establish a permanent home, connecting and collaborating with others to positively contribute to their family and their community. In CapitalAsset Developments, an appropriate social mix is purposefully created that considers age, gender, culture, disability, household types and incomes.



Undertaking an innovative CapitalAsset Development aims to:

Create affordable housing whilst also achieving beneficial financial investment outcomes.

Assist in achieving the social mission of the consortium partners.

Measuring Investment Stability

CapitalAsset Developments are ethical investment vehicles offering safe, secure, long-term returns, unaffected by market fluctuations or sensitivities. They are perfect for individuals, corporations and Self Managed Super Funds (SMSF).

Regardless of whether the land is owned by governments, churches, organisations or individuals, parcels of land, with or without buildings on them, can be a financial drain on landowners. Bringing together asset, capital and expertise from public, private and not-for-profit sectors, it enables non-traditional partnerships and investment to regenerate the value of under-performing assets.

People who own land that is undeveloped or contains very old, disused buildings are not maximising their rate of capital growth or cash flow and new building on the land could change and improve this situation.

If the landowner does not have money to invest and does not have an investor partner, they may consider selling off their properties. A focus on maximising individual profits is a barrier to shifting a traditional property investment paradigm to one of profit sharing and partnership between landowners and investors when much more becomes possible.

Coined 'Social Impact Investing', it's an opportunity for business, organisations and individuals to successfully invest for financial benefit and respond to a social mission.



CapitalAsset Developments provide:

The opportunity to harness land assets to regenerate value.

Provide new purpose build housing that incorporates social housing.

Achieves a social mission.

Creates a market rate of return.

BENEFITS FOR PEOPLE, PLACE AND PURPOSE

Governments are not willing to take sole responsibility for bridging the gap between low incomes and the cost of housing and there is a limit to the available social housing.

The supply of social and affordable housing is at the heart of our work, with a view to addressing housing stress and homelessness more effectively.

ShelterSA aims to increase the supply of social and affordable housing within the current set of policy and funding constraints. With CapitalAsset we seek to achieve the new supply of social housing without a government subsidy, in a sustainable and progressive way.

Through a CapitalAsset Development real housing affordability is achieved, increasing the supply of income-based rental property in South Australia. This is the innovative way that not-for-profit organisations can better achieve their social outcomes.

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

A 'Build-Own-Operate' Consortium of landowner, developer and social impact investors transform land and under-used buildings into more valuable assets. They may also contain commercial, retail and community spaces.

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.

ShelterSA has developed this alternative housing, development and investment approach to bring housing innovation across commerce, construction and community.

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 or telephone (08) 8223 4077.

Benefits to Commerce:

*Private investment and financing
(no Government funding, subsidy or grant monies).*

*Partnerships between land owners and investors that are mutually beneficial,
financially sustainable and profitable.*

Profit sharing within the partnership.

Unique socially responsible, ethical investment.

*Creation of capital growth and cash flow that may not be available to individual
investors or land owners alone.*

Landowners retain their land and utilise a 99 year lease arrangement.

Benefits to Construction:

Excellence in design and high quality materials.

*New builds minimise maintenance costs and maximise tax advantages
through depreciation.*

Slightly higher density to maximise land use and minimise building costs.

Benefits to Community:

*The provision of housing that is affordable for a range of income levels
including both market and below market prices for people living
on very low incomes.*

Social mix that ensures tenants and residents are from all walks of life.

Sustainable dwellings for liveability, ongoing costs and environmental aspects.

Job creation through new builds.



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