



Creating a significant supply of long-term affordable rental housing without the need for any ongoing government subsidy.

BENEFITS

- Increases affordable housing supply within developments** – By having a private sector property manager the developer reduces the possible “stigma” (rightly or wrongly) that management by a community housing organisation could impact their sales value.
- Leverages more affordable housing dwellings** - Rather than gifting a dwelling, this equity is apportioned across a number of properties with the investor paying the balance. The cost to developer remains same.
- Reduces housing system bottlenecks** - The model directly targets a source of the problem; un-affordable private housing.
- Speed** – Capacity to establish an agreed, transparent governance model should lead to faster negotiated outcomes. It can also facilitate a level of pre-sales that can assist in accelerating bank financing.
- Multipurpose** - The model can equally apply to both apartment projects and land subdivisions.
- Long term affordability** -It creates long term affordable housing linked to the economic life of the building and in perpetuity affordable housing in land subdivisions.
- Market perception and management** – Having the option to use a private rental manager to manage the affordable housing reduces the marketing risk for the developer.
- Broader investor market** - Provides an investment product attractive to small 'mum and dad' investors.



Housing All Australians believes that it is in Australia’s long-term economic interest to provide housing for all its people, rich or poor. It aims to harness the ability of the private sector to collaboratively address the chronic shortage of low-income affordable housing.

The outcome of the PRADS model is the creation of privately owned rental housing, rented at below market rents, with an obligation resting on title for the economic life of the dwelling. This is to be managed through an agreed governance process.

PHASE 1: PRE-DEVELOPMENT



Local Government

- Planning process
- Voluntary Planning Agreement¹ (Agreed affordability provisions)
- Negotiates with developer to include affordable housing.
- Locks in affordability for life.



Developer

- Negotiates with council to include affordable housing.
- Achieves a satisfactory planning approval in a timely manner.



Affordable Housing Rental Register

- Records developer commitment.

¹ Voluntary Planning Agreement under Section 7.4 of the Environmental Planning and Assessment Act 1979 (NSW)

PHASE 2: DEVELOPMENT & SALE



Developer

- Sells affordable dwellings to investor at a price which reflects the lower rental obligation.



Investor Owner

- Purchases dwelling/s
- Appoints a Property Manager.



Property Manager

- Manages property for investor.
- Complies with governance requirements.



Affordable Housing Rental Register

- Records property has been delivered and awaiting tenant.

PHASE 3: RENTAL TENANCY



Property Manager

- Reviews each tenancy application
- Rents property at specified rate to low income tenant.
- Submits compliance information to the Housing Provider.



Housing Provider

- Appoints approved Valuer
- Collects documentation
- Notifies Property Manager on maximum rent to be charged.
- Submits compliance documentation from Property Manager to the Affordable Housing Register



Valuer

- Independent rental valuation.
- Determines the market rent from which the agreed discount can be applied.
- Applies discount
- Advises Housing Provider



Affordable Housing Rental Register

- Compliance information kept.
- Affordable housing dwellings annual audit.



Affordable housing Tenant

- Very low, low or moderate income household.²
- Not owner occupier.
- Paying rent at no greater than specified rate.

² Must meet income test defined in Affordable Housing Income Levels