



Session 508: Housing in the Southern Hemisphere

Ken Marchingo
Chief Executive Officer

haven
HOME, SAFE



Australian dreams ...

Tenure of occupied private dwellings, Australia

	2011 Census		2006 Census	
	Number	Percentage	Number	Percentage
Owned outright	2,488,148	32.1	2,430,731	34.0
Owned with a mortgage	2,709,431	34.9	2,436,112	34.1
Owned: total	5,197,579	67.0	4,866,843	68.1
Rented	2,297,460	29.6	2,010,456	28.1
Other tenure type	70,071	0.9	60,079	0.8
Tenure type not stated	195,212	2.5	206,718	2.9
Occupied private dwellings (a)	7,760,322	100.0	7,144,096	100.0



2





Same, same

- Both are members of the Commonwealth
- English is commonly spoken in each nation
- Both countries have large indigenous populations
- Canada and Australia both boast a literacy rate of 99%
- People enjoy a high life expectancy rate, and high level of access to good medical facilities



Same, same

- We have a landscape which is beautiful to the people, but may be seen as inhospitable by outsiders, and which requires certain skills to survive in, for those who venture beyond their comfortable homes
- Both countries are large in physical area



6

...but different

RENT PER MONTH	AUSTRALIA	CANADA	DIFFERENCE
Apartment (1 bedroom) in City	1,772.43 A\$	1,098.19 A\$	-38.04 %
Apartment (1 bedroom) outside city	1,268.74 A\$	853.52 A\$	-32.73 %
Apartment (3 bedrooms) in City Centre	3,042.97 A\$	1,811.96 A\$	-40.45 %
Apartment (3 bedrooms) Outside of Centre	2,003.53 A\$	1,392.42 A\$	-30.50 %
BUY APARTMENT PRICE			
Price per sq./m in City Centre	7,623.98 A\$	4,035.99 A\$	-47.06 %
SALARIES AND FINANCING			
Monthly Disposable Salary (After Tax)	4,371.26 A\$	3,166.08 A\$	-27.57 %
Mortgage Interest Rate in (%) Yearly	5.68	3.37	-40.70 %

Other essentials we pay more for

UTILITIES (MONTHLY)	AUSTRALIA	CANADA	
Basic (Electricity, Heating, Water, Garbage) for 85m2 Apartment	216.87 A\$	156.17 A\$	-27.99 %
1 min. of Prepaid Mobile Tariff Local (No Discounts or Plans)	0.90 A\$	0.32 A\$	-64.17 %
Internet (6 Mbps, Unlimited Data, Cable/ADSL)	68.22 A\$	50.73 A\$	-25.63 %
Restaurants	AUSTRALIA	CANADA	
Meal, Inexpensive Restaurant	17.00 A\$	13.16 A\$	-22.57 %
Domestic Beer (0.5lt draught)	6.50 A\$	5.06 A\$	-22.12 %
Imported Beer (0.33lt)	7.50 A\$	6.08 A\$	-19.00 %
Cappuccino (regular)	3.97 A\$	3.73 A\$	-6.15 %







Here's another reality check

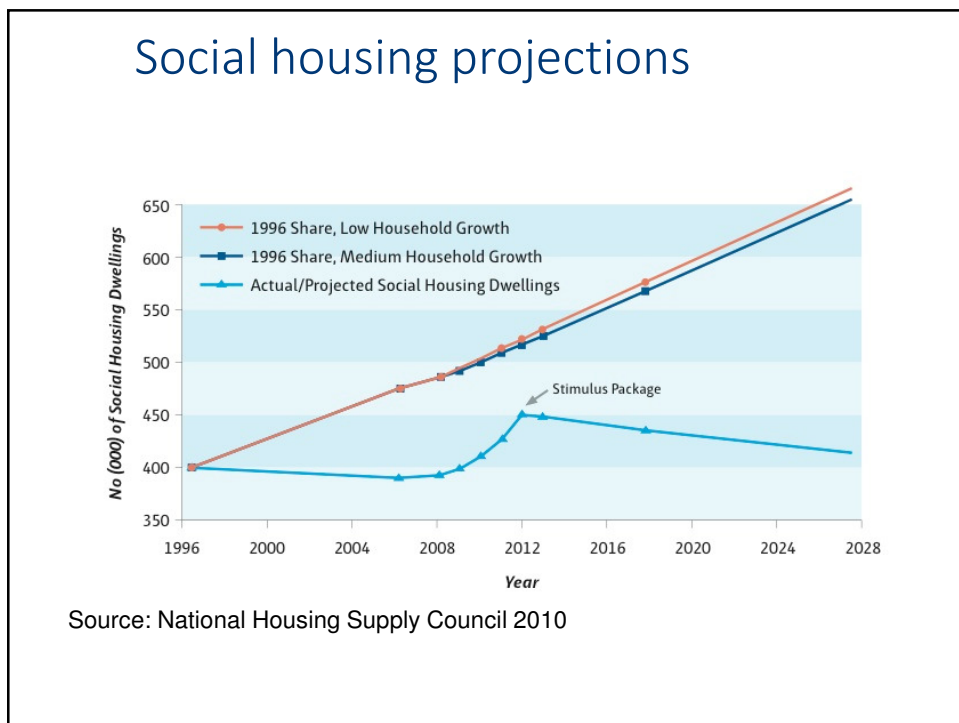
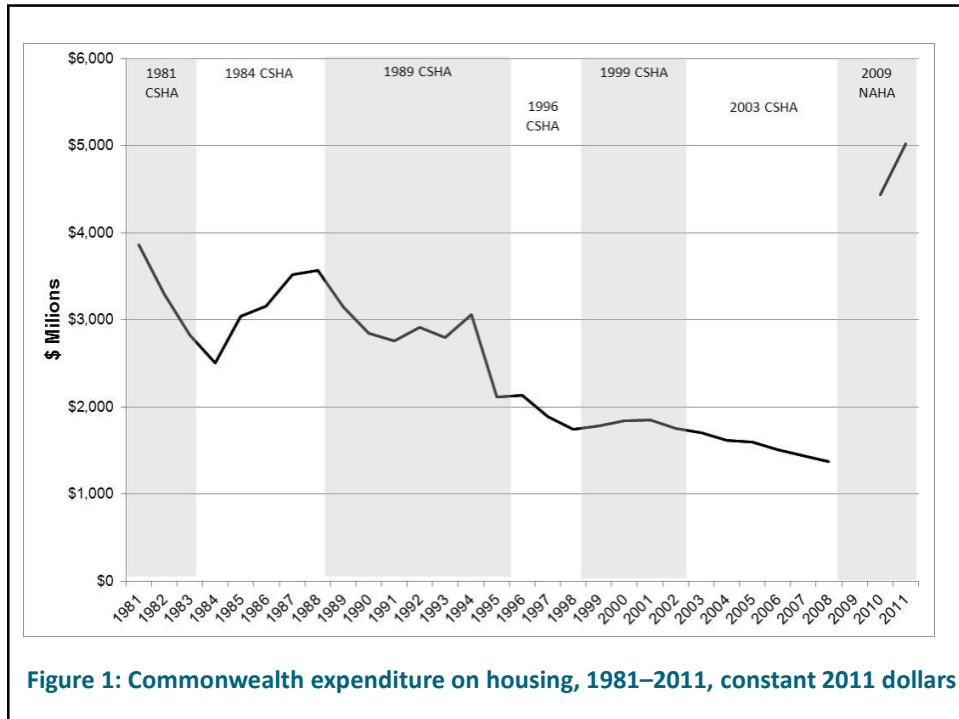
- Housing Supply Gap of 228,000 dwellings
- Urban sprawl
- Unaffordable housing
- Rising rents
- Rapid population growth
- Changing household types
- Ageing and outdated housing stock
- GFC (twice)



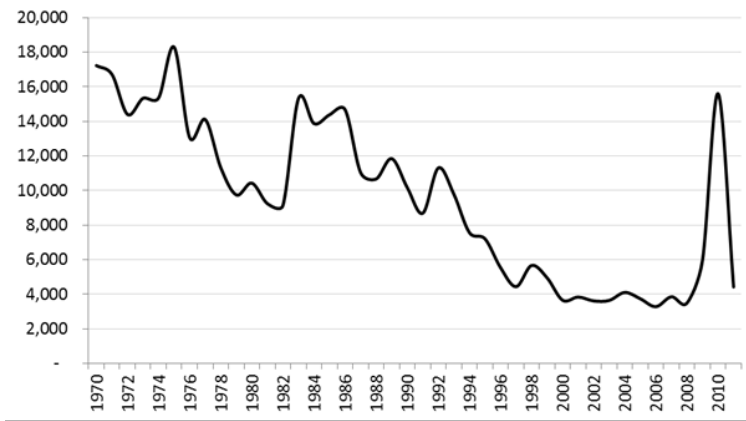


ST HLDGS	0.950	0.960	0.960	14T	GLOBALGOLD	0.0
EN MINING	0.150	0.155	0.155	2HT	GLOBALHE	0.0
EN MINS	0.155	0.165	0.165	23T	GLOBE INTL	0.4
ENE TECH	0.210	0.215	0.215	3M	GLOBE MET	0.2
ENERA BIO	0.140	0.150	0.140	60T	GLORY RES	0.1
ENESISRES	0.095	0.110	0.000	0	GLOUCESTER	9.0
EO RES	0.125	0.135	0.000	0	GME RES.	0.0
ODYNAMIC	0.285	0.300	0.300	2HT		0.1
OPACIFIC	0.150	0.250	0.000	0		0.0
OSCI	0.043	0.044	0.044	1HT		0.0
RARD LIG	0.930	0.950	0.000	0		0.0
ACONDA	0.000	0.000	0.000	0		0.0
NDALBIE	0.760	0.765	0.765	3M		0.1
PPSLAND	0.026	0.027	0.027	6HT		0.0
ADIATOR	0.185	0.220	0.200	2H		0.5
ENEAGLE	0.013	0.017	0.013	72		0.0
G CORP	0.000	0.000	0.000			0.5
OBAL CON	1.460	1.500	1.460	7		0.6
OBAL NKL	0.022	0.023	0.023	7		0.0
ORAL DET	0.015	0.000	0.015			0.0





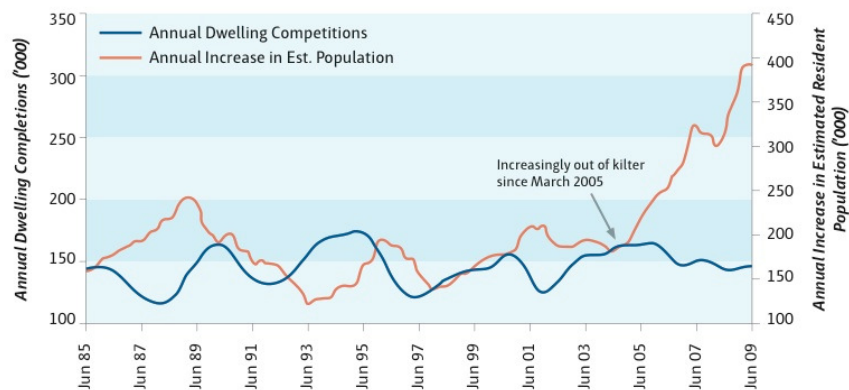
Housing gap is growing



Source: ABS 2011, *Dwelling Unit Commencements, Australia, Preliminary*, Australian Bureau of Statistics, Canberra

Supply not meeting demand

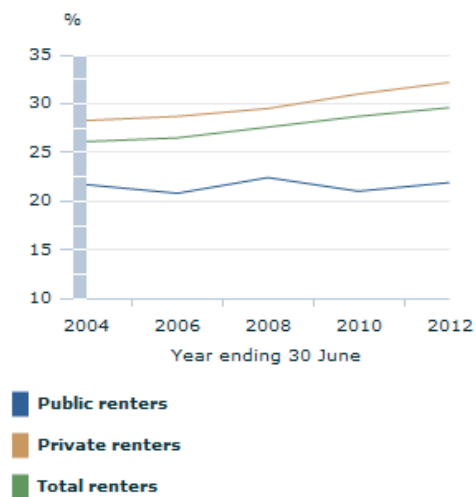
Annual dwelling completions & population growth, Australia, 1985 to 2009



Source: Australian Bureau of Statistics, *Building Activity*, cat. no. 8752.0, ABS, Canberra, 2010;
Australian Bureau of Statistics, *Australian Demographic Statistics*, cat. no. 3101.0, ABS, Canberra, 2010.



Low income families under pump





Vacancy rates falling

City	July 2013 Vacancies	Vacancy Rate	June 2014 Vacancies	Vacancy Rate	July 2014 Vacancies	Vacancy Rate
Adelaide	2,696	1.7%	2,645	1.6%	2,496	1.5%
Perth	3,032	1.6%	4,716	2.5%	4,818	2.5%
Melbourne	11,537	2.6%	12,073	2.7%	11,695	2.6%
Brisbane	5,786	2.0%	7,159	2.4%	7,139	2.3%
Canberra	964	1.9%	1,216	2.3%	1,138	2.1%
Sydney	10,292	1.8%	11,022	1.9%	10,629	1.8%
Darwin	197	0.8%	424	1.6%	377	1.4%
Hobart	608	2.3%	472	1.8%	447	1.7%
National	61,117	2.1%	69,258	2.3%	67,190	2.3%

Source: SQM market research

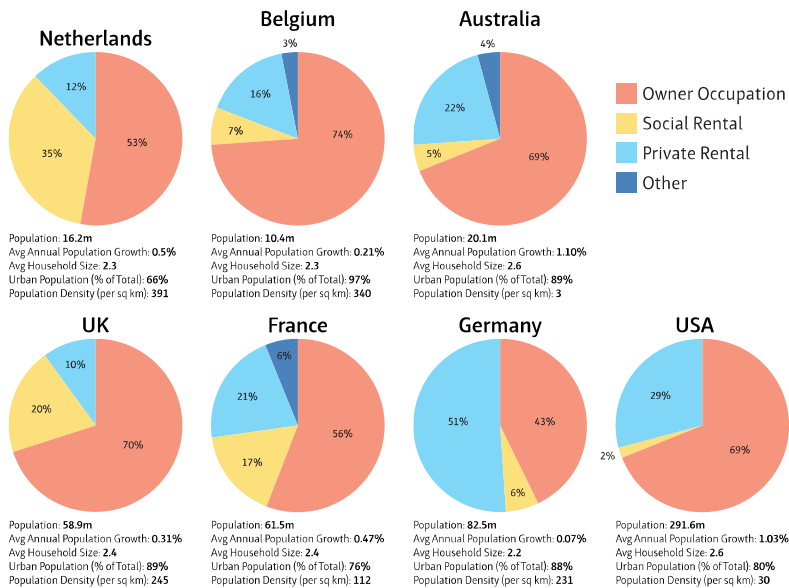


25



26

International housing stats



Making a difference

- Decreasing the supply gap
- Providing housing options to those who would otherwise struggle to get into the market
- Provided the greatest stimulus during an economic downturn
- Giving low income earners security of tenure
- Decreases costs to other government services i.e. health, justice



28

The centre of *my* universe ...



29

A little bit about us

- Australia's only vertically integrated homeless service and affordable rental housing provider ... **more about what that means later**
- We're a NFP, but we like to say we're a **For Purpose organisation**
- Serving our community for 30 years



30

A little bit about us

- 150+ staff
- 26 support programs – all Govt funded
- \$25M turnover
- \$250M+ in assets
- 1600+ houses across the state



31

A little bit about us

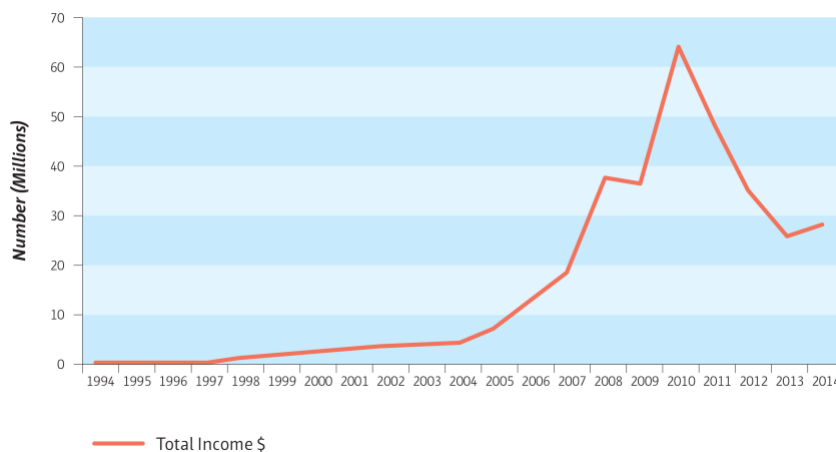
- Bendigo HQ
- Offices in Geelong, Mildura, Robinvale, Echuca, Kyabram and now **Preston**
- We're just wrapping up a merger with North East Housing Service



32

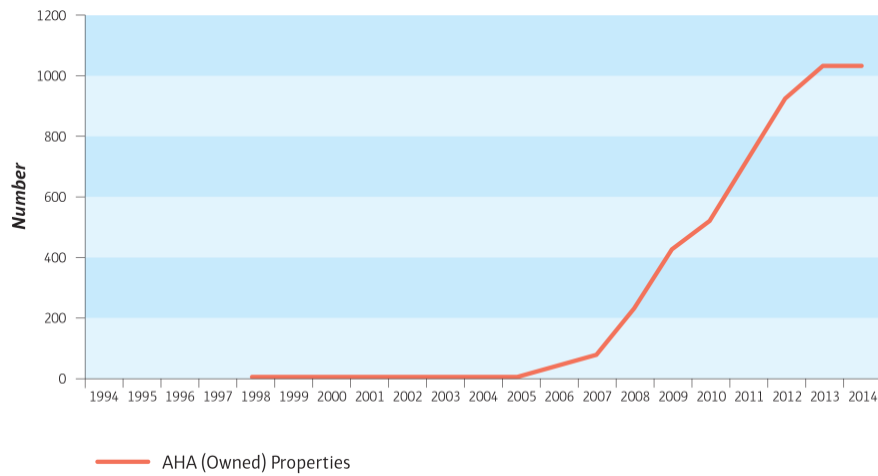
Growth is good

Earnings from 1999



33

Building our portfolio



34







38







42

The housing side of our business

- First registered Affordable Housing Association in 2005
- 8 in the state
- Only one based in regional Victoria
- We are NOT public housing
- Different funding model 70/30
- Different rent model



43

How do we do it, in simple terms

- We do not have a waiting list
- We charge rents, which are discounted depending on household income
- We maintain our assets using the rents
- We leverage our assets
- We borrow funds to build more



44

A flagship project

- \$80M flagship project in south east Victoria
- Re-housing more than 80 elderly pensioners
- 17.4ha
- 250 lots
- Private sales to fund social housing
- First 21 have moved into their new homes
- On track for 2017 completion



45

By the Bay



46

Mix of private and social housing



47

Here's one of our happy tenants



48

The OTHER side of our business

Over the 2013-2014 financial year:

- 2477 presented to intake Bendigo
- 1197 presented as homeless
- 324 were couch surfing
- 313 were sleeping rough

On any given night there are 100 people sleeping rough in our city



49

The have-nots, there's lots of them

- 1416 were female were 1165 male (57% female, 43%)
- 585 were aged less than 25 years of age
- 720 received a Disability Pension
- 840 received Newstart Allowance
- 46 were students
- 256 disclosed to having a mental illness



50

On a typical day

- There are 14 appointments and usually 6 drop-ins
- We provide around \$1000 financial assistance per day for:
 - accommodation
 - bonds
 - food,
 - medical assistance
 - OOH bond debt,
 - removals,
 - rent arrears
 - rent in advance
 - fuel
 - travel and utilities.



51

What we do to help

- The assistance we provide includes, but is not limited to:
 - advice and information
 - advocacy
 - assistance to prevent eviction
 - material aid or brokerage
 - emergency or short-term accommodation
 - long-term accommodation
 - referral to internal or external support programs.



52

We can't save everyone

- There's just too many
- Some aren't ready to change their behaviour
- We support people and families the best we can with the resources we have
- We like to think we make a difference
- That's our Purpose



53

Doing things differently

- FIRST ever medium-term housing project for young homeless people in Bendigo... anywhere for that matter.
- The Sidney Myer Haven is a master-planned project comprising 23-units
- \$7M project backed the philanthropic Myer family
- Mix of Govt, philanthropic, community funds



54

We call it a Game Changer ...

- Housing for up to 2 years
- Social and educational curriculum
- Mentoring
- Training
- Life skills
- Financial and literacy skills



55

Any questions?



56

