



nsw Federation of
Housing Associations inc

NSW FEDERATION OF HOUSING ASSOCIATIONS ELECTION CAMPAIGN 2011

Information Sheet

GROWING COMMUNITY HOUSING THROUGH TITLE TRANSFERS

The NSW State election on March 2011 will set the direction for the State over the next four years. The NSW Federation of Housing Associations is calling on all Parties and candidates to commit to implementing a number of directions that will be essential to address the lack of affordable housing in NSW and to meet the housing needs of low and moderate income households.

Background – the need for affordable housing in NSW

Securing a safe, appropriate and affordable dwelling has become one of the most pressing issues for people on low and moderate incomes. With vacancy rates of less than 2 per cent and high proportion of low income households in rental stress, housing affordability in NSW rates as the worst out of all states in Australia¹.

Increasing supply of affordable housing stock must be the solution to this problem. Any future housing strategy in NSW shouldn't be only aimed at aspiring home purchasers, but it should be inclusive of housing needs of low and moderate income rental households.

Community housing providers are key players in the current and future provision of affordable rental housing. Growing a strong and vibrant community housing sector is a sound investment and the best response to the increasing lack of low cost rental housing.

We seek the incoming NSW Government's commitment to continue the growth of the community housing sector in line with the existing initiatives. Now is the time to take advantage of unprecedented opportunities to meet the housing needs of low income earners in long-term.

The growth of community housing sector in NSW

The community housing sector has grown rapidly over past five years as result of several significant initiatives. As at 30 June 2010, community housing providers offering long term housing² manage 92 per cent of all community housing tenancies in NSW –21,300 long term tenancies. This is currently 16 per cent of social and affordable housing in NSW and is expected to rise to 20 per cent or over 29,000 homes in 2011. There are almost 30 long term community housing providers in NSW.

The growth of community housing sector in NSW is result of several initiatives:

- the transfer of properties and tenancies to community housing providers
- the transfer of the management and ownership of the majority of newly build properties under the Nation Building Economic Stimulus Program (NBESP) and a portion of existing public housing properties; and
- National Rental Affordability Scheme (NRAS).

Advantages of community housing

Community housing providers are independent not for profit organisations governed by the boards. They are able to meet diverse needs of tenants through engagement with local support networks and the wider local community. They also encourage tenant participation in decision making through their tenants committees.

Importantly, community housing providers are able to leverage their assets to borrow private finance in order to build more affordable housing. Many community housing providers in NSW are now partnering with larger developers and major banks to take on major developments delivering more dwellings at affordable prices.

Community Housing Providers are well placed to manage and develop (alone or in partnership with the private or public sector) affordable housing that provides a high standard of service, security of tenure and is overseen by an independent regulator.

The recent growth initiatives are crucial for long term development of low cost housing and this trend needs to continue. The Australian and overseas evidence strongly suggests that community housing providers need to be at the forefront of delivery of affordable and low cost housing.

Success of the Property Transfers Program

The program involves the transfer of tenanted properties from public to community housing management. Housing NSW initially committed to transfer five hundred properties to the management of community housing providers. This target was expanded progressively in the past two years to include 3,000 properties in total by December 2010³.

Tenants reported high level of satisfaction with the transfer of their tenancies to community housing providers, with over 90 per cent of tenants agreeing to transfer.⁴

Tenants also reported high satisfaction with the service by community housing providers that often established new offices and extended working hours to service new tenants.

However, while the management of the majority of these properties has been successfully transferred, community housing providers don't own most of the homes they manage. There has been an agreement to transfer the title to some properties currently managed by community housing providers, but so far the title to 500 properties has been agreed.

While the vesting of the title to the Nation Building properties has enabled the increased leverage, and better use of those assets, community housing providers should be able to leverage the whole of the portfolios they manage in order to meet the current and future demand for affordable housing. To achieve this, the title of all properties should be vested with providers.

The COAG commitment

In 2009, Australian housing ministers committed to development of a strong community housing sector, comprising of up to 35 per cent of social housing stock by 2014⁵.

Newly constructed NBESP properties which will be transferred with **title** to community housing providers will be a significant first step to the 35 per cent target, bringing the sector to almost 20% of all social housing in NSW.

A significant part of the remaining 15 per cent of social and affordable housing stock will come from the transfer of public housing properties to community housing sector.

The Federation strongly supports this commitment. However, we are also aware that the growth of this scale will require ongoing development of organisational capacity to support the management of additional properties and wellbeing of tenants.

For this reason, we call on the incoming government to meet their target at least over the next term of the NSW Government – somewhat longer than the 2014 deadline.

WE NEED TO CONTINUE THE GROWTH TO MEET THE HOUSING NEEDS OF LOW AND MODERATE INCOME EARNERS

We call the incoming NSW Government – whichever party wins the March election- to commit to the growth of community housing. Specifically, we are seeking:

- **A commitment to continue the transfer of properties to be managed by community housing providers at the same (or higher) rate;**
- **A commitment to transfer title of all Housing NSW properties currently managed by providers, building on the initial 500; and**
- **A commitment to continue to grow community housing sector with transfer of further 15 per cent of public housing properties to community management (with title) over the next four years.**

For further information please contact:

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The NSW Federation of Housing Associations (the Federation) is the industry peak body for housing associations in NSW. The Federation's mission is to support the development of a not-for-profit rental housing sector that compares to any around the world, and makes a difference to the lives of lower income and disadvantaged households across the state.

Housing associations are not-for-profit community housing providers whose principal business is managing and developing long term housing for low and moderate income households.

¹ NSW has the highest proportion of low income households in rental stress than any other state – 45.7%.see Productivity Commission (2011). Report on Government Services 2011, Chapter 16: Housing. Australian Government, Canberra; see also NSW Government (2010). *NSW State Plan Performance Report*, November 2010, NSW Government, Sydney

² Other community housing providers offer short term crisis housing or offer housing as an adjacent to another service

³ Housing NSW: Property Transfer Program Bimonthly Update, Issue 8, October/November 2010, Housing NSW

⁴ Department of Human Services Housing NSW (2010). Annual Report 2009/10, Housing NSW 2010

⁴Housing NSW 2009/10 Annual Report

⁵ A Progress report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers - Implementation of the National Housing Reforms, November 2009, published by the Victorian Government Department of Human Services in behalf of the Housing Ministers Conference; available at the [Council of Australian Governments website](#) p.26