



Housing All Australians

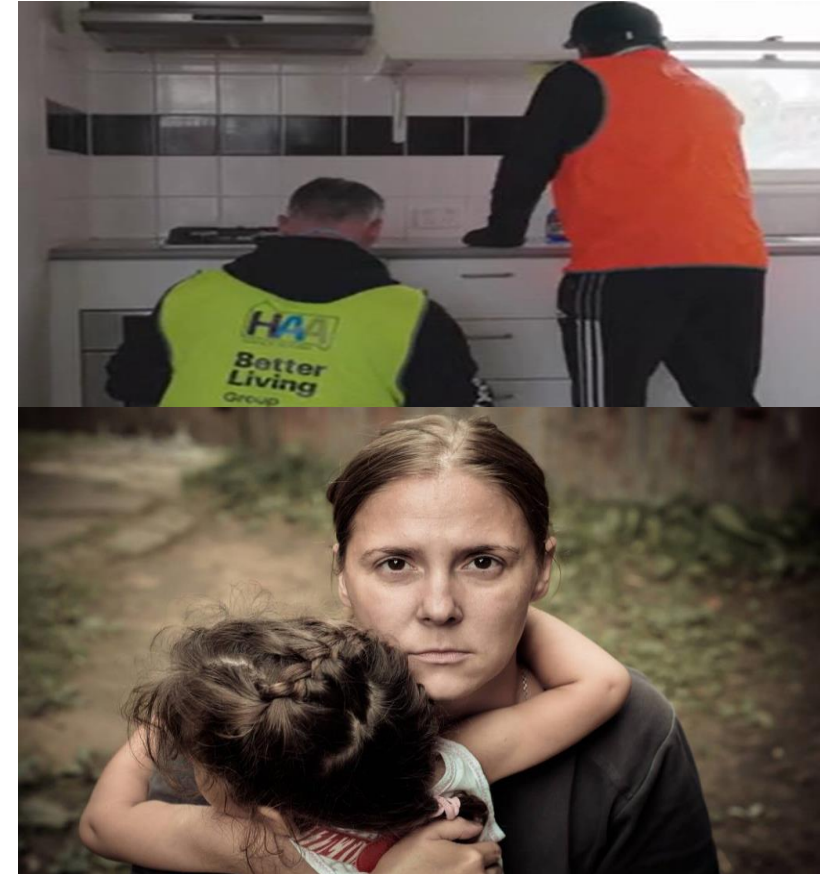
# Living Sector Summit

Adrian Harrington

NSW Chair – Housing All Australians

# HAA – Who We Are?

- A for-purpose organisation creating business-led actions to deliver housing solutions for Australians in need
- We harness skills, goods and services on a pro-bono basis to collaboratively deliver innovative, affordable housing options
- Creating pop-up shelters (“meanwhile use”) by repurposing empty buildings for short-term accommodation to help vulnerable Australians
- Creating a centralised digital register (PRADS) to track affordable housing with PEXA



# Everybody Is Talking About It

HOUSING AFFORDABILITY A  
STRUGGLE FOR AUSSIES

Housing affordability at lowest in 20 years

'Do I even have a chance?': Families among hardest hit by regional rental crisis

'Incredible struggle': Supply of rental homes halves in two years

The housing crisis is Australia's greatest weakness

## Home truth: no quick fix to housing crisis

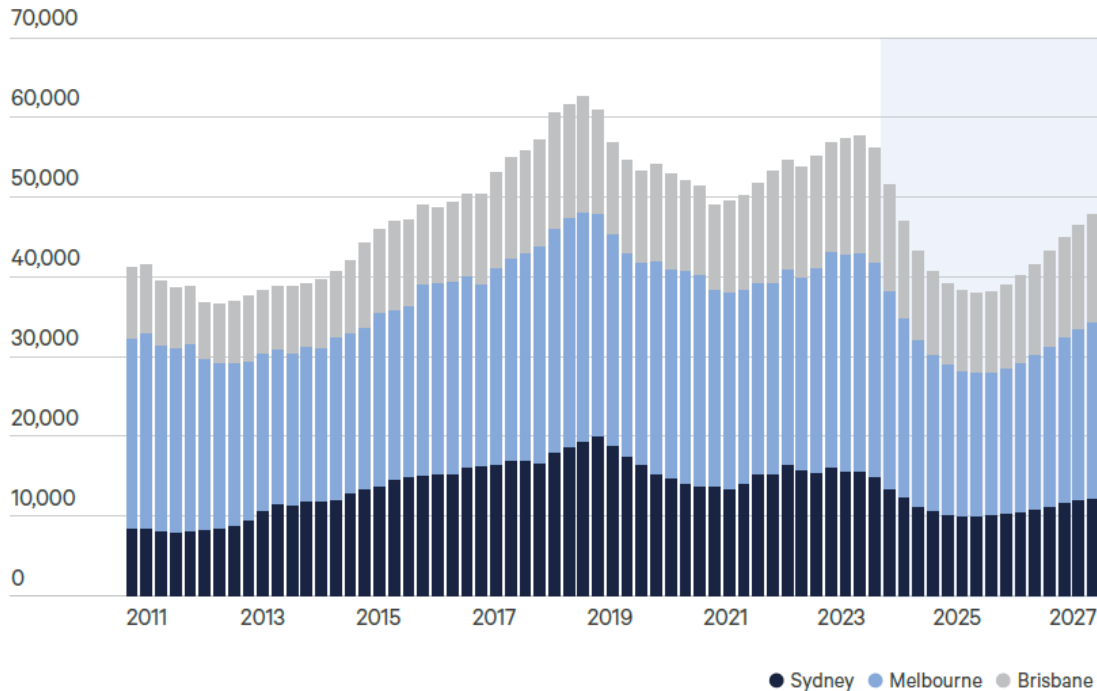
Family with disability facing homelessness due to regional 'rental crisis'

Housing affordability for young people is beyond a crisis — so what do we do now?

## Homeowners and renters facing record levels of financial stress

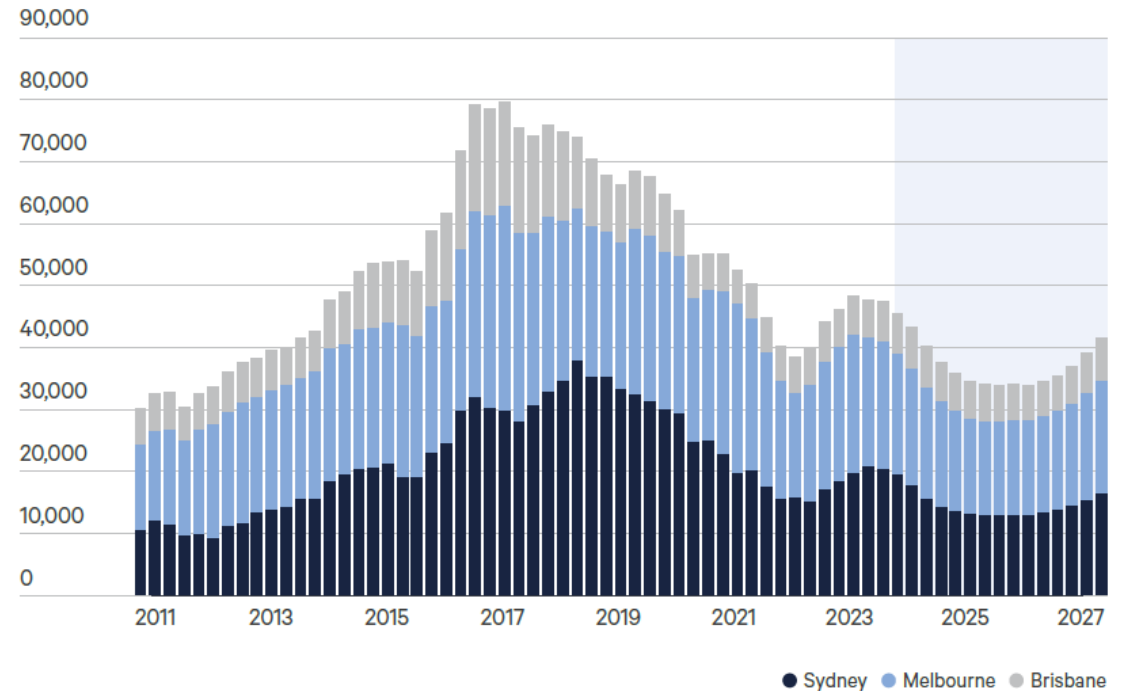
# Supply – 1.2m New Homes in 5 Years?

Extended period of low supply ahead  
Forecast detached housing supply



Source: Rolling annual sum, Oxford Economics, September 2024

Apartment supply remains constrained  
Forecast attached housing supply



Source: Rolling annual sum, Oxford Economics, September 2024

Source: Mirvac Investor Day 2024 – 14 October 2024

# National Crisis

- Nearly 80% of Australians feel there is a lack of affordable housing in their area
- Housing affordability the second-highest concern among respondents, coming just after cost of living
- Over half of Australian renters feel stuck with no choice but to rent
- 4 in 10 believe they won't be able to buy a home in the next five years
- Over 60% of Australians support the build-to-rent legislation with the industry bodies' proposed amendments, rising to 71 per cent among renters. Only 13 per cent of respondents opposed the proposal

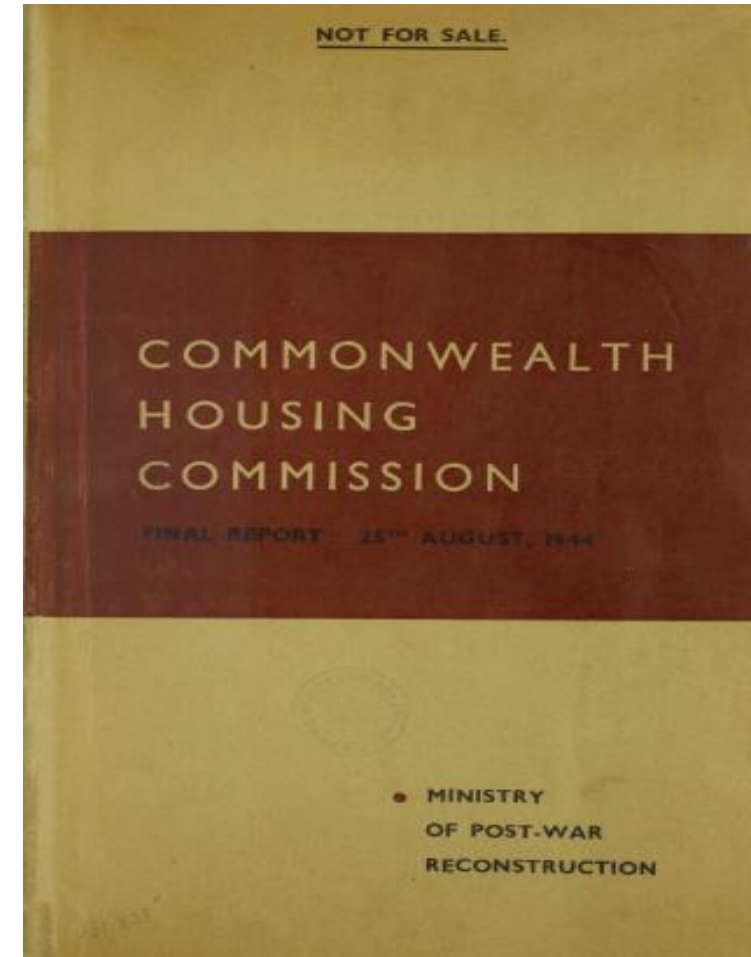


**Community Housing**  
INDUSTRY ASSOCIATION

Source: YouGov Survey of Over 1,500 Australians for the Property Council

# Housing Crisis – Not New

- This isn't the first, nor will it be the last time, Australia faces a housing crisis
- As World War 2 came to a close, the Commonwealth Housing Commission estimated a shortage of 300,000 dwellings, prompting a surge in housing construction much of which was backed by the Federal Government
- Homeownership rates rose significantly from around 50 per cent to more than 70 per cent by the mid-1960s.



# Housing Crisis – A Global Issue

- **UK**

*The National Housing Federation, which represents English housing associations (the equivalent of our community housing providers), estimated that 8.5 million people could not access adequate housing at the start of this year.*

- **US**

*I know the cost of housing is so important to you. Inflation keeps coming down. Mortgage rates will come down as well, and the Fed acknowledges that. But I'm not waiting.*

*President Joe Biden, State of the Union Address, March 2024*

- **Canada**

*“Canada can and will solve the housing crisis, and we’re going to do it by getting every home builder, not-for-profit, mayor, city councillor, and premier pulling in the same direction to build the homes Canadians need.”*

*The Hon. Sean Fraser, Minister of Housing, Infrastructure and Communities, April 2024*

*The Canadian Government announced in April a new plan, **Solving the Housing Crisis: Canada’s Housing Plan**, aiming to unlock 3.87 million new homes by 2031*

# Housing - An Election Issue

- **1st time the Budget Papers dedicated an entire chapter – 42 pages – to the housing problem**

*“Australia has a housing shortage. There are not enough homes being built in the right areas to meet the needs of our communities. This statement focuses on the reasons for the current undersupply of housing, how it affects affordability, and the changes required to more quickly unlock supply to meet the housing needs of all Australians.”*

- **Opposition leader, Peter Dutton’s Budget reply:**

*“We’re also facing a housing crisis ... Australians are struggling to find homes to rent and buy – and not always due to a lack of money.”*

- **Max Chandler-Maher, Australian Greens spokesperson for housing post Budget media release:**

*“Property investors, developers and the banks will be celebrating Labor’s budget that dishes out \$175 billion in tax handouts for property investors. But for renters, mortgage holders and first home buyers it is a massive kick in the teeth..... If we are going to solve this crisis the government needs to step in and start building hundreds of thousands of homes itself, which is why the Greens are proposing a government owned developer to do just that.”*



# Addressing the Crisis

- Requires a holistic and multi-faceted approach
- Housing operates in a complex interconnected ecosystem
- Viewing housing exclusively as either a social benefit or a market-driven commodity oversimplifies the housing equation
- Housing has a dual role: it offers essential shelter, a fundamental need for all, while also serving as an investment asset in the financial system
- Understanding the social and economic drivers of housing is fundamental to working out what to do
- Planning delays play a role, they are not the primary issue (though they do require attention).
- Economic feasibility of new housing development in the private market poses a significant challenge. Those who believe developers can simply generate supply without achieving the appropriate returns misunderstand the market's reality
- Consequently, we need short and long-term strategies that address demand and supply issues. And we cannot just focus on one particular cohort or housing type

# Ideas Easy – Solutions Hard

- The National Housing Supply and Affordability Council has identified ten focus areas for improving housing outcomes:
  - ✓ Investing in social housing
  - ✓ Reducing homelessness
  - ✓ Improving rental market outcomes for tenants
  - ✓ Improving efficiency in land-use and planning systems
  - ✓ Boosting capacity in the housing system
  - ✓ Improving data availability
  - ✓ Addressing regional-specific housing challenges
  - ✓ Enhancing First Nations housing outcomes
  - ✓ Reviewing the suitability of the national housing target
  - ✓ Ensuring Australia's taxation system supports supply and affordability



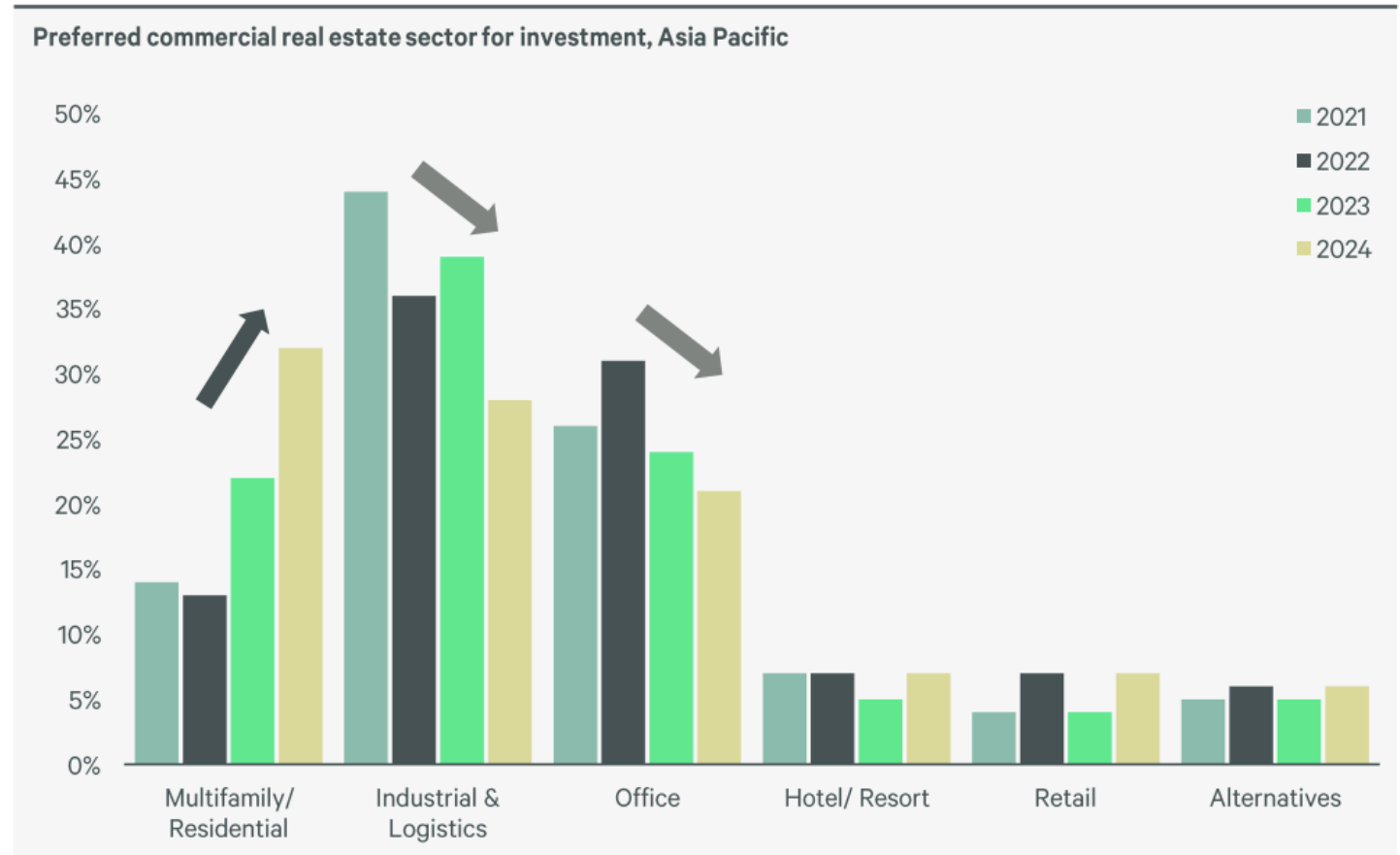
# The Living Sector

Demographic shifts and lifestyle changes, coupled with concerns of affordable housing keeping up with rapid urbanisation across Australia, are creating new investment opportunities in the living sector



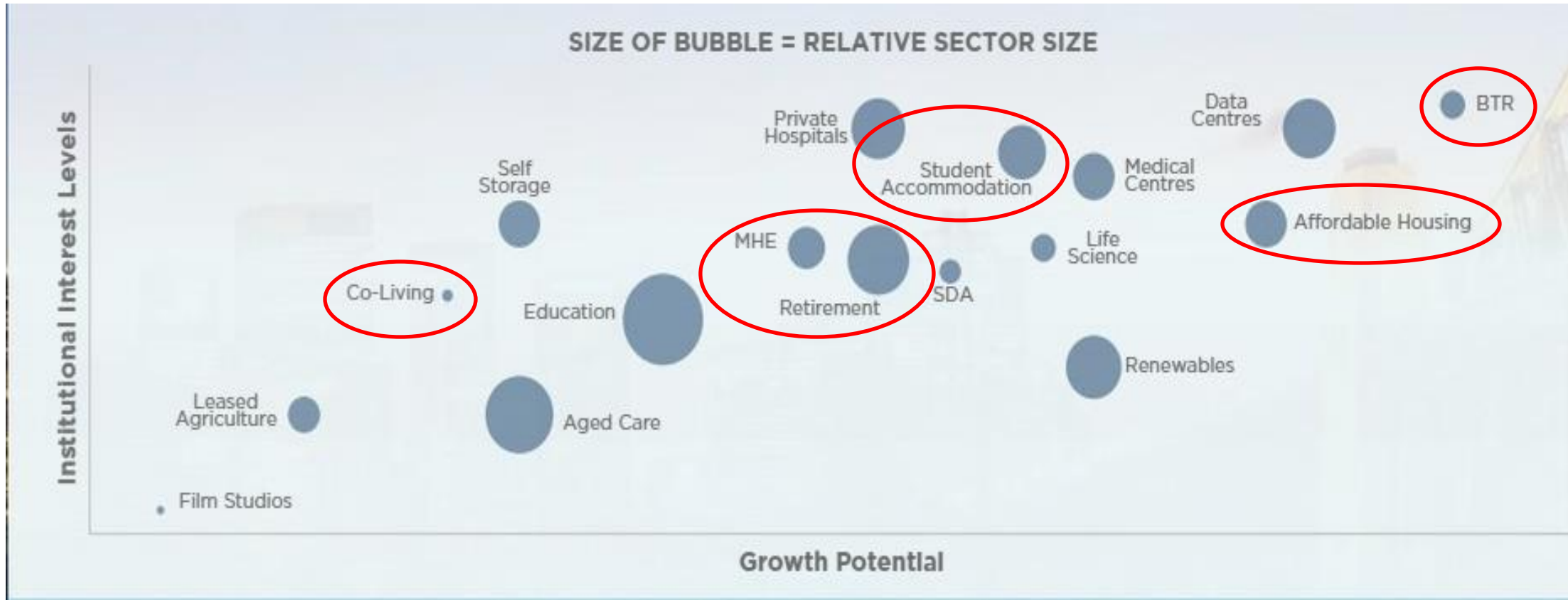
# Living Sector – Most Sought After

Fundamentals in the living sector are positive – spurring stronger investor interest in BTR and other living-related asset types



Source: 2024 CBRE Asia Pacific Investor Intentions Survey

# Living Sector - Interest vs Growth

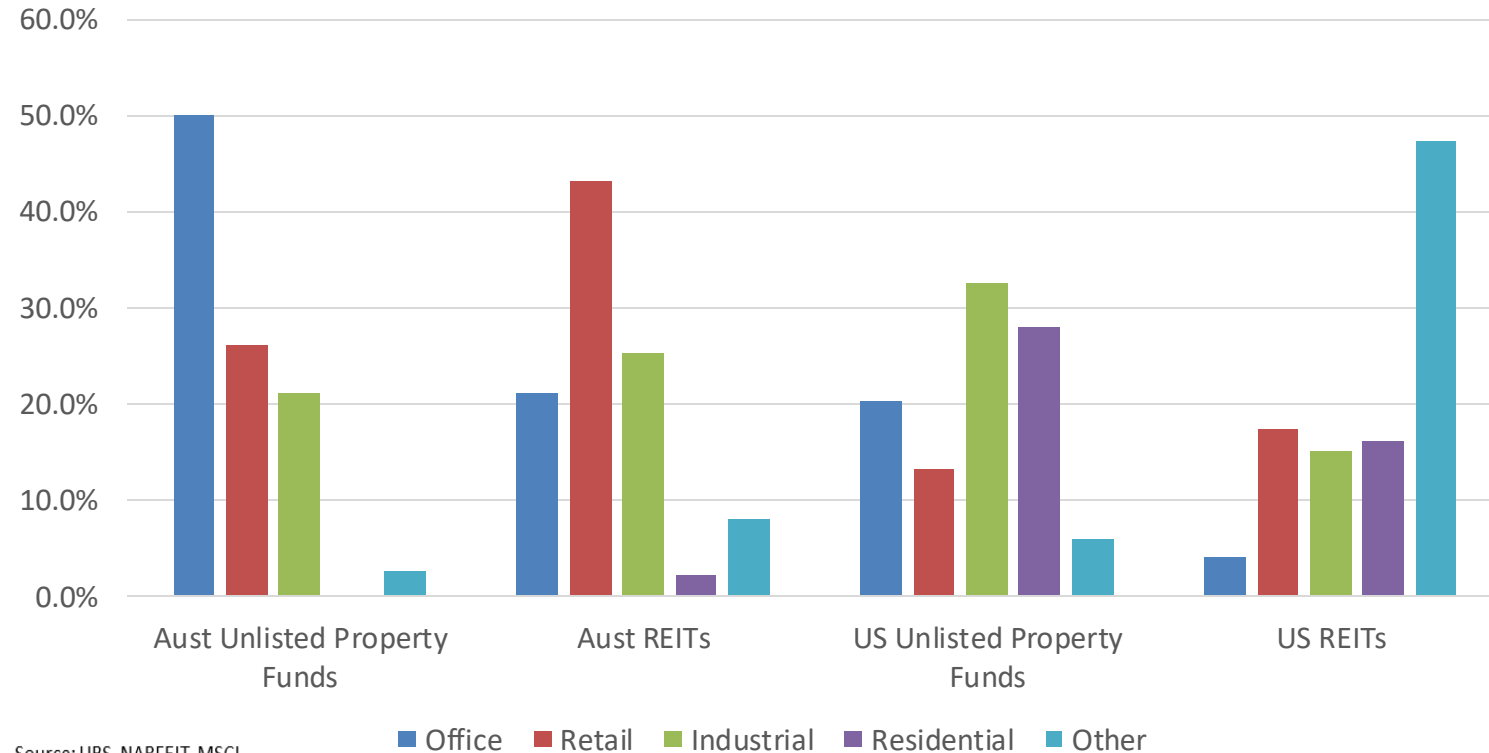


Source: Cushman & Wakefield – Australia Alternatives Outlook 2024

# Australian Instos Underweight

- US leads Australia in allocation to alternate sectors
- Multi-family is 28% of US unlisted property funds Index & 16% of US REIT Index
- Australian institutions need to step up to plate

Asset Allocation – Aust. & US Property Funds and REITs





**Housing All Australians**