

Build Homes, Build Hope

Frequently Asked Questions

How much will it cost to build 5,000 new social housing properties each year for 10 years?

UNSW's City Futures Research Centre estimate that if governments across Australia were to build enough social housing to meet current and projected need, the average cost per dwelling would be \$262,000.¹ This includes capital costs of \$203,000 per dwelling, and \$59,000 in Commonwealth Rent Assistance.

Covering the full capital costs of 5000 new dwellings per annum would be in the order of \$1.2 billion per annum. In the 2019-20 Budget, the NSW Government boasted record infrastructure spending of \$93 billion over four years.² Many large transport project, health and education projects cost well over \$1 billion, and investment in housing is equally important.

An increased supply of social housing will also lead to savings in the health and community services budgets. Studies from jurisdictions across the world, for example, show that people who are securely housed use fewer government-funded services than people experiencing homelessness.

How do we fund more social housing?

This is a decision for the NSW Government. Research conducted by the Australian Housing and Urban Research Institute (AHURI), however, suggests that the provision of capital subsidies in the form of cash and/or land is the most efficient funding pathway.³ AHURI's modelling showed that up-front capital grants would require significantly less Government investment over a 20-year period than the provision of an annual operational subsidy.

Won't the National Housing Finance and Investment Corporation finance community housing providers to build all the social housing we need?

The National Housing Finance and Investment Corporation (NHFIC) is a Commonwealth entity that provides loans, investment and grants to encourage investment in housing. While it plays an important role in facilitating access to finance, the corporation does not eliminate the need for government subsidies.

To date, the NHFIC has primarily been used to refinance existing loans. In July 2019, the Corporation announced its first construction loan which will support community housing provider BlueCHP to deliver 93 new dwellings in Lane Cove and Liverpool.

Shouldn't the community housing sector be delivering more social housing?

Community housing providers will likely play an important role in delivering new social housing, but they do not have the resources to invest in significantly increase the number of dwellings. To meaningfully boost overall stock levels, Government subsidies are needed.

Of the social housing stock in NSW, community housing providers currently manage approximately 25.8%. Most providers are relatively small.

Doesn't Vinnies have land to use for this? Couldn't you do more?

Under the NSW Government's Social and Affordable Housing Fund, our community housing provider, Amélie Housing, has been able to build 305 and acquire 195 social and affordable housing dwellings across NSW. We have some capacity to contribute to the delivery of additional dwellings and are keen to do so, but like other community housing providers we would require Government funding to support this.

Doesn't the church have land to use for this?

Many entities – Government included – own land that could be utilised to support the delivery of more social housing dwellings. Government investment is required to unlock the potential of land that is currently under-utilised. And the provision of social housing should be a high priority for currently under-utilised land.

What percentage of the total stock of housing is social housing?

Across Australia, approximately 4.6 in every 100 households are social housing dwellings.⁴ The proportion of social housing dwellings has been in decline, down from 5.1 dwellings in every 100 in 2001.⁵

The NSW Government has already committed to deliver additional social housing.

We welcome the NSW Government's investment in the Social and Affordable Housing Fund, and Communities Plus. However, existing initiatives are expected to deliver fewer than 10,000 new dwellings. Significantly more investment is required to meet the community need for social housing.

We don't need to build that much more social housing. According to the Future Directions strategy, NSW plans to increase the use of private rental assistance products to help households avoid or leave social housing. Isn't this a better alternative than social housing?

While the use of private rental assistance products can play an important role in helping households secure a home in the private rental market, they do not work for everyone. Many people have needs – such as accessibility requirements – that are difficult to meet in the private market. In addition, the private market does not provide the security of tenure needed to enable vulnerable people to rebuild their lives.

We don't need that much more social housing because the NSW Government aims to increase the number of households successfully transitioning out of social housing by 5 per cent over three years.

Even if the NSW Government is able to meet this goal, the need for social housing continues to far outstrip demand. While there are 53,000 households currently on the waitlist for social housing, conservative projections suggest that by 2036 total unmet need for social housing will exceed 200,000 households without additional intervention.⁶

Where will the additional social housing be located?

Social housing dispersed across our city centres, towns and suburbs can make it possible for families to remain connected even if they hit hard times. It can make it possible for people to grow old in the communities they know and love, and for families to stay near the services they need.

Governments in Australia no longer build large-scale public housing estates but instead ensure new social housing is integrated with affordable and private housing. In new developments it is often impossible to visually distinguish between dwellings of different tenure types. In fact, social housing has

the potential to lead the way when it comes to providing healthy, sustainable and secure homes that give people the opportunity to live well in our communities.

¹ Troy, L., van den Nouwelant, R. and Randolph, B (2019) Estimating needs and costs of social and affordable housing delivery. UNSW, City Futures Research Centre.

² NSW Government (2019) Budget Papers

³ Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report No. 306, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301

⁴ AIHW (2019) Housing assistance in Australia 2019. Cat. no: HOU 315. Available online at <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/summary>

⁵ Groenhart, L. and Burke, T. (2014) Thirty years of public housing supply and consumption: 1981–2011, AHURI Final Report No.231. Melbourne: Australian Housing and Urban Research Institute. Available from: https://www.ahuri.edu.au/data/assets/pdf_file/0008/2042/AHURI_Final_Report_No231_Thirty-years-of-public-housing-supply-and-consumption-1981-2011.pdf.

⁶ Troy, L., van den Nouwelant, R. and Randolph, B (2019) Estimating needs and costs of social and affordable housing delivery. UNSW, City Futures Research Centre.