



Building HOMES

Brisbane Housing Company prides itself on having developed a sustainable business solution to a social welfare problem—providing quality, affordable homes for those who need them most.

Images courtesy of Brisbane Housing Company

In June 2014, Minister for Social Services Kevin Andrews warned that Australia is facing a shortfall of 300,000 dwellings within the next decade. There is an increasingly important role for third- and private-sector organisations to play in providing much-needed accommodation for low-income Australians, who are being squeezed out of the private housing market by increasing property values.

David Cant, CEO of Brisbane Housing Company (BHC), is fiercely dedicated to addressing the need for affordable housing in Australia. After gaining his undergraduate degree in politics and economics at Oxford University, David went on to study town planning at University College, London. He got his first job in 1978 working as a special project officer for the Community Housing Association in North London, and has been working in

the social- and affordable-housing industry ever since.

David came to Australia in 2000 for a sabbatical year, but was persuaded by the then director-general of Housing in Queensland to work with her staff to see whether a housing company could be viably set up in Brisbane. “The intellectual and the emotional challenges of creating a new company by adapting a UK model were difficult, but also very satisfying. I was effectively starting again with a blank slate,” David says. “At the outset, BHC required a subsidy level of about 80 per cent from the government. Things have changed since then: we’ve created surpluses and made profits. These are directed back into the company to help fund further developments and further reduce the need for public subsidies.

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housing extensively: public housing is a loss-making activity, as well as having to be built at the expense of the taxpayer. I was able to demonstrate to the state cabinet that they could get double the impact for the value of the subsidy they were already investing in public housing by injecting some of that equity into our start-up.

“The fact that we were getting equity from Brisbane City Council, that rental assistance would be available to our tenants, that this was a tax-efficient structure with input tax credits for GST, alongside the other applicable tax concessions for registered charities, and that our rental policy would be different and rather smarter than the public housing policy: all these factors added up to a massive saving for the state government.”

BHC’s initial business plan was to deliver 400 units over four years, a goal which was achieved on time and within budget. The company >

experienced its biggest growth spurt following the global financial crisis. "In the wake of those extreme events, the then Rudd government invested \$6 billion in social and affordable housing. Our company got \$93 million in grants, and I'm very proud to say that we leveraged that, along with loans from Westpac and existing surpluses, to invest over \$200 million in delivering 780 units over a 30-month period. In our best year, we delivered 225 completions, lifting our total output to 1,500 dwellings over 12 years, of which we have retained ownership of 1,200."

There's much more to BHC than building brand-new, purpose-built, affordable housing: the company makes every effort to keep tenants at the centre of its focus. BHC works closely with the Queensland State Government to assist applicants on the public housing waitlist. The government assesses applicants according to Commonwealth eligibility criteria,

which include income and living conditions, prioritising those in the highest categories of need. In 2013-14, 82 per cent of BHC's tenants were in the high-need or very high-need categories.

With as many as 50 per cent of tenants self-assessing as having a physical or mental disability, and over 66 per cent unemployed, it's crucial for tenants to be able to build a community, put down roots, and develop supportive relationships. "We've found that the best strategy is to get tenants to genuinely celebrate their home by taking psychological ownership of it," David explains. To this end, BHC is implementing its Tenant Engagement Strategy. This entails on-site personal development opportunities like cookery classes, wellness initiatives, book exchanges, and day trips.

BHC is committed to ensuring that its housing remains available to those who need it most. BHC tenants are not required to pay a

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fixed percentage of their income as rent, as is the case with public housing schemes. This means that when tenants find work, they can start saving rather than paying increased tax and rent rates.

Each year, the organisation conducts an obligatory income survey of all tenants to assess whether they still meet the continuing income-based eligibility requirements. If tenants are found to be above the Commonwealth threshold for social security eligibility for more than one year, they are asked to move on. "The rationale there is to ensure they're experiencing a sustained increase in income, not just a flash in the pan," David says.

BHC's staff are critical to the organisation's success. "People don't come into this business for the financial rewards. Social housing is not a glamorous industry, but you can really see the huge impact our work has on the tenants. When you give someone a

secure home, it transforms their life opportunities. This makes for a very meaningful and rewarding experience, so we have some really highly motivated staff."

David recognises that the nature of their work means BHC staff are likely to encounter stressful situations. One of BHC's key values is taking care of each other, and this means ensuring staff can take advantage of the company's wellness initiatives, which include co-payment massages and various health schemes. Communication is also a focal point: David is diligent about sharing his vision for a viable, sustainable future for the company.

"We have clear, board-level requirements that each project has to finance itself. Though our staff are very busy doing lots of challenging tasks, I always try to explain to them the context in which we're operating: who needs our housing, why the government isn't doing more, the cost, the

investment returns, and why we're doing it the way we're doing it. That level of engagement really motivates people."

David also nurtures relationships with BHC's valued partners and suppliers who express a strong interest in creating affordable housing. In particular, BHC is proud to work with architectural firms Cox Rayner and Mode Design. "Cox Rayner has designed three of our largest buildings. Recently, the Green Square Close project was highly commended at the World Architectural Festival in Singapore, as well as winning a number of national and regional awards."

David is determined to continue delivering these successes. "My chairman recently said to me, 'David, it's great that we've built 1,500 dwellings since we started, but we should be doing 1,500 a year—that is the need'. And he's right; we need to be doing more."

David has recently received the support of shareholders to increase BHC's presence throughout Queensland. "We have also incorporated a subsidiary called Catalyst Affordable Housing Limited, which has a different charitable designation to BHC, allowing it to operate nationwide and assist a wider range of people."

With two companies and a broadening area of operation within Queensland, BHC will stay focused on delivering a quality housing experience for tenants in need. "The needs are so severe in Australia, and we're being aided by the taxpayer, so our focus will continue to be on helping Australian people who need housing. We have many good friends in New South Wales, Victoria, and other states who work in our industry: we are open to partnering with them to mutually assist each other in winning opportunities in our respective locations." •



Constance Street challenges several norms in residential architecture.

One is that it is conceived as two buildings either side of a 'street' rather than as one building with an atrium. This reinterpretation generated many social and environmental benefits, applicable not only to public housing.

The project won a *National Australian Institute of Architects Award for Residential Architecture* and a *National Commendation for Sustainable Architecture* in 2013.

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