

# An affordable place to live

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It's big in the US and UK and has recently gained the support of the Australian government, but what exactly is Build to Rent?

Every Queenslander deserves a home of their own, and yet for many, the reality of buying a property may never be feasible.

This is where Build to Rent comes in.

Although the concept is in its early stages across Australia, the model has had huge success in the US and UK.

Build to Rent refers to a residential development in which all apartments are owned by the developer and leased out to tenants, as opposed to the build-to-sell model, which is more common and is where a developer builds a residential development and sells the apartments on.

The former offers tenants a stable long-term rental experience in a development that is generally



closer to public amenities such as hospitals and transport hubs.

The initiative is aimed at reducing housing affordability stress, which is on the increase across the state and the country, particularly since COVID-19 first hit.

Property giant Mirvac is leading the way in the Build to Rent field in Australia and has four developments in progress – three in Victoria (Brunswick, Queen Victoria Markets, and Flinders Street) and one in Queensland (Newstead). These are in addition to its first project, Liv Indigo at Sydney Olympic Park, which welcomed the first residents into its 315 one, two and three-bedroom apartments six weeks ago.

“Mircac started looking at Build to Rent as a concept about five years ago,” Andrew Hansen, Mirvac’s national manager, operations, said. “I was hired from the US where I did this on a very large scale.”

Statistics show that 32 per cent of Australian households rent and in Queensland public housing data shows that there are more than 17,000 Queenslanders on the wait list, each of them desperately in need of affordable housing options.



“Every week these people live in housing stress, paying way too much on their rent,” Brisbane Housing Company chief executive Rebecca Oelkers said.

“They’re spending more than 30 per cent of their income on housing-related costs.”

Brisbane Housing Company (BHC), which was established in 2002, is the original ‘Build to Rent’ provider, she said.



“Build to Rent has become a really trendy sort of term in recent times, but everything BHC has done right from the beginning has been built around that. Typically BHC builds multistorey developments, close to the CBD, usually within 5km, some within 10kms of the CBD, and we rent them out at a discount to market, in most cases 74.9 per cent. We’ve built about 2000 units.”

BHC is currently involved in a development in the Brisbane suburb of Woolloongabba that has 32 units of accommodation,

five are earmarked for young people thanks to a joint partnership with the Brisbane Youth Service.

The charity is always looking at new options, but relies on funding from the government to continue providing much-needed accommodation for those battling below the breadline.

Further south on the Gold Coast, a Build to Rent development by Philip Usher Constructions has 279 apartments across three buildings with its first tenants moving in in April.

“Sky Broadwater was designed to bring people together,” Sky Broadwater project manager Amanda Miller said.

For Mr Usher it was about getting the mix right. “The concept of a luxury apartment-style residential rental community had to deliver on the emotional side, which is why we included pet-friendly

apartments, apartments with the dimensions and storage capacities of a house, wide hallways and multiple areas indoors where the community can enjoy getting together. We also allow residents to personalise their homes," he said.

The development on Southport's Marine Parade has been well received, with occupancy almost at capacity.

For retirees Steve and Yvonne Raschilla the development proved a lifeline after the couple were forced to move out of their Biggera Waters rental apartment in February when the owner returned from the UK in the midst of COVID-19. The couple had lost almost everything, were battling a pancreatic cancer diagnosis and coping with being isolated from their children, locked down in Melbourne.

Without any means to enter into a mortgage, a neighbour advised the Raschillas of the Sky Broadwater building, and it turned out to be the 'perfect' arrangement.

"Steve and I felt at home the minute we walked in," said Mrs Raschilla. "It's nice to go into something that's completely new and feels like it's yours and within a budget."

Her husband has a condition called narcolepsy – a chronic neurological disorder that affects the brain's ability to control sleepwake cycles – and the couple don't own a car, so the Broadwater location is ideal given the medical facilities near by and the light rail system on their doorstep.

"Everything's within walking distance, it's great," said Mrs Raschilla, who is looking forward to welcoming her grandchildren as soon as it is possible. "It's going to be perfect when our grandkids eventually get up here, it's going to be absolutely ideal for them with the parklands right across the road."

Sky Broadwater offers one, two and three-bedroom apartments with rents of between \$390 and \$440 a week. Residents are not required to pay a bond and surety is given about tenure upon entering into a standard lease agreement.

Earlier this year, the Queensland Government and Queensland Treasury launched a Build to Rent Pilot Project that aims to deliver more affordable rental housing to Queenslanders. To do this the project seeks to provide a targeted residential subsidy and two Brisbane-based affordable housing projects have already been approved – a Frasers Property development at 210 Brunswick Street in Fortitude Valley and Mirvac's Liv Newstead development, which will be located at 60 Skyring Terrace.

Together these properties offer almost 750 apartments, with up to 240 dwellings provided at a discounted rent. Construction is set to begin on these mid next year with operations expected to start in 2023.

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