

SECTOR CALLS FOR A STRONGER COMMITMENT FROM GOVERNMENT TO UNLOCK INSTITUTIONAL INVESTMENT IN SOCIAL AND AFFORDABLE HOUSING

With the announcement on 16 December 2021 of the \$500 million increase to the National Housing Finance and Investment Corporation's (NHFIC) liability cap, leading Queensland community housing provider BHC is calling on the Federal Government to do more to give certainty to institutional investors, and hope for Australian families in housing need.

BHC CEO Rebecca Oelkers said "Whilst we welcome the Federal Government's extension of the NHFIC liability cap by \$500 million, sadly it falls well short of the increase that the sector, its investment partners and Australians in need were hoping for.

"Australia is in the midst of a housing crisis- we have thousands of families in housing stress in the private market and many thousands more on social housing waiting lists. Providers like BHC are ready to step up and partner with Government and investors to grow the supply of affordable housing in an effort to turn the tide. NHFIC's ability to give stakeholders certainty of long-term, low-cost finance at scale has been critical in boosting social and affordable housing outcomes across Australia."

Recent state-led initiatives designed to boost social and affordable housing supply, such as the Queensland Government's Housing Investment Growth Initiative (QHIGI), rely on providers' ability to layer NHFIC financing with state subsidies in order to attract institutional investment.

"NHFIC has been tremendously successful in building providers and investors' confidence that they can put their shoulders to the wheel to bring forward affordable housing projects, and that NHFIC-backed support for that will be available. Consequently, there are now thousands of community housing dwellings in the planning pipeline that depend on this NHFIC support. However, it's clear that this minor increase to the liability cap will not be enough to bring this essential pipeline of homes to life." Ms Oelkers said.

"Community housing providers have worked hard to bring institutional investors to the table and there are funds that are ready to be deployed. If Government really is committed to ensuring that all Australians have a safe and affordable place to call home, they must raise the NHFIC cap to a sufficient level to give investors certainty of both the scale and availability of NHFIC funds."

Providers are calling on the Government to amend arrangements for the NHFIC liability cap as follows:

- Raising the cap in the next Budget cycle to \$5 billion, instead of just \$3.5 billion
- Implementing a predictable schedule for future reviews of the cap, to continue to build industry and stakeholder confidence in the availability of funds and the manner in which the reviews take place.

Ms. Oelkers said "Government had the foresight to create NHFIC and through its partnerships with the community housing sector to date, it has enabled thousands of homes to be delivered for Australians in need. We must continue to work together and do all we can to grow social and affordable housing supply. Access to NHFIC finance is an essential part of the solution – now more than ever."

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About BHC

Established in 2002, BHC is a leading provider of innovative, modern affordable housing. As a registered Tier 1 Community Housing Provider (CHP), our core business is housing and asset management of our wholly-owned 1,800 affordable housing properties. Since our inception, we have provided more than 7,500 households with access to high-quality, well-located affordable housing across Brisbane.