

Media Release

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VICTORIANS TO BE HOUSED AS PART OF A GROUND-BREAKING INITIATIVE

Victorians will soon have a range of new housing options delivered via a ground-breaking partnership approach led by Homes Victoria.

Australia's leading not for profit housing provider and a key member of the Building Communities consortium, Community Housing Limited (CHL) is delighted to announce the consortium has been nominated as the preferred proponent to redevelop vacant Homes Victoria land in Brighton, Flemington and Prahran.

The Building Communities consortium consists of CHL as investor, operator, service provider and owner, Tetris Capital as bid lead and financial advisor, National Housing Finance and Investment Corporation (NHFIC) as finance partner, Citta Property Group as development and property advisor, and Icon Kajima as the builder.

Designed by cutting edge Melbourne based architectural practices such as 6 Degrees Architecture, SJB Architecture, Jackson Clements Burrows Architecture and ARM Architecture, this unique project will provide an integrated mix of social, market rental, affordable, and specialised disability housing that is superior quality in design and build.

This first of its kind initiative both in scale and its vision will see the redevelopment of these three metropolitan Melbourne housing sites by the Building Communities consortium, through a special purpose vehicle, Building Communities (Vic) Ltd (BCVL). BCVL will be provided with a 40-year operating lease, whilst Homes Victoria retains the ownership of the portfolio, providing lasting benefits to the people of Victoria for generations to come.

This ground-breaking project will also contribute to Victoria's 10 year social and affordable housing strategy. CHL, through a combination of debt and equity, will invest circa \$500 million to construct 1,100 much needed new homes providing immediate stimulus and job opportunities to Victorians.

Through a combination of affordable lending rates and a Homes Victoria service payment, the program will deliver over 600 new social housing homes along with around 500 new market rental units integrated into the community. As debt is paid down, returns from the market rents will drive the growth of further social housing for hundreds of people in need in Victoria.

Commenting on this landmark project, Steve Bevington, Managing Director of the Community Housing Ltd Group said. "We are so proud to be part of this innovative and visionary project which is evidence of the fact that leading community housing providers such as CHL can play a pivotal role in the delivery of large scale, complex housing projects such as this one. It will lead the way in reimagining how social housing can be delivered in Australia.

"We commend our best in class consortium partners and Homes Victoria for partnering with us to deliver not only new social housing, but doing so in a way that delivers functional integrated

communities as well as ongoing benefits via the delivery of new housing by reinvestment of commercial returns into future social housing projects.

“CHL has the rare capability to deliver truly integrated services through all the service streams required in this project including social housing management, asset management, community development and market rental housing management through our in-house real estate business arm, Horizon Housing Realty, part of the CHL Group.

“CHL’s sector leading experience in community development will be utilised to create diverse and integrated communities that foster social inclusion, economic participation, and job creation.

“We will focus on local procurement, training, apprenticeships and employment opportunities for Victorians where possible,” said Steve.

This novel project accesses public and alternative financing sources, including the NHFIC as a key partner. This unique, truly integrated partnership with Homes Victoria leverages the combined expertise, innovation and financial strength of the private sector (through partner Tetris Capital) and the not-for-profit sector, with CHL as Australia’s leading community housing provider being an instrumental and aligned partner in its overarching goal to provide all Victorians with affordable and sustainable housing.

“We believe the innovative model developed on this project can be easily replicated for future projects, with a paradigm shift seeing community housing sector at the centre of delivering significant new housing supply,” said Steve.

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