

## Measuring the sustainability performance of community housing to drive expansion

A new environmental, social and governance (ESG) standard for the community housing sector will be launched today. The standard will provide a framework for Community Housing Providers (CHPs) to clearly report sustainability factors, helping providers to articulate their broad value and attract private sector investment to expand housing for people on low and modest incomes.

The standard is being launched by the Housing Minister, the Hon. Julie Collins. An [accompanying paper by SGS Economics and Planning](#) notes that without investment, Australia's unmet housing need will cost the nation \$25 billion annually by 2051 because of the health, productivity and crime costs borne by the community.

The Community Housing Industry Association (CHIA) has designed the standard in consultation with the sector. CHPs are encouraged to adopt the reporting to align ESG data capture with the expectation of investors. The standard aims to give institutional investors ESG information which can be an important component when making investment decisions in any asset class.

The new Australian standard is only the second developed in the world, after the UK.

"This standard will provide the ESG performance information investors can consider as they look to invest in the supply of social and affordable housing in Australia," said Wendy Hayhurst, CEO of Community Housing Industry Association.

Currently, lending to community housing organisations in Australia is mostly provided through the Commonwealth's National Housing Finance and Investment Corporation with relatively little direct institutional investment. By contrast, in the UK, private investment in social and affordable housing is three times that of government grant funding.

"Expanding social and affordable housing is an emerging opportunity for investors, a huge boost for people struggling in the private rental housing market and a significant benefit to the national economy. Australia is suffering a desperate shortage of affordable rental properties, something we must all work to address," said Ms Hayhurst.

Australia's population grew more than 28 per cent between 2006 and 2021, yet the stock of social housing dwellings increased by only 7.7 per cent over the same period. Social housing comprised 4 per cent of all dwellings in 2021, compared with 6 per cent in 1996.

HESTA is hosting the launch today after recently announcing a commitment to an affordable housing platform, Super Housing Partnerships, with an intention to invest \$240m into mixed tenure build-to-rent opportunities that include affordable and social housing.

"We know that a lack of affordable housing and its impacts on economic productivity is a systemic risk for long-term investors like HESTA. Many of our members provide critical health and community

services and often are lower paid so they can find it extremely challenging to access affordable, stable housing near their work,” said Debby Blakey, CEO of HESTA.

“As long-term investors, we manage a broad range of risks and opportunities that have the potential to affect the performance of our investment portfolio, and ultimately, member returns. These new standards will provide uplift and consistency in sustainability reporting for the community housing sector, providing investors more of the information they need to evaluate sustainability risks and opportunities.”

NHFIC CEO, Nathan Dal Bon, said “NHFIC is proud to support the ESG Reporting Standard and partner with CHIA to promote a better understanding of the value that well-built and managed social and affordable rental housing can bring to the community and the economy. This initiative will encourage deeper investor interest, providing further foundations to build social and affordable housing as a viable asset class in Australia.”

CHIA hopes that CHPs will begin to use the standard as soon as possible.

Further information [here](#).