

# AUSTRALIA'S COMMUNITY HOUSING INDUSTRY IN PROFILE 2021

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**Community Housing**  
INDUSTRY ASSOCIATION

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THE COMMUNITY HOUSING INDUSTRY ASSOCIATION IS THE PEAK INDUSTRY BODY FOR THE AUSTRALIAN COMMUNITY HOUSING INDUSTRY

# AUSTRALIA'S COMMUNITY HOUSING INDUSTRY IN PROFILE

## 2020-2021



Community Housing  
INDUSTRY ASSOCIATION

### HEADLINE PROFILE FACTS



#### 122,000 SOCIAL AND AFFORDABLE HOUSING TENANCIES MANAGED

By the 100 largest Community Housing Organisations (CHOs)



#### \$1.85 BILLION AGGREGATE REVENUE

57% Revenue from rents (\$1.1 billion)



#### \$8,970 AVERAGE RENT

Per CHO per tenancy per annum



#### 15% REVENUE SURPLUS

After aggregating all expenditure by CHOs



#### NEARLY 40,000 DWELLINGS OWNED BY CHOs



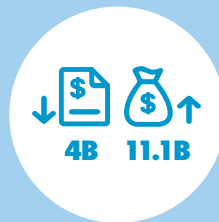
#### OVER \$15 BILLION AGGREGATE CHO ASSETS

Includes nearly \$12 billion land and buildings



#### 5,991 DWELLINGS IN THE PIPELINE

Being developed by 50 CHOs



#### \$4 BILLION LIABILITIES \$11.1 BILLION NET EQUITY

Liabilities included \$2.3 billion borrowings to support dwelling acquisitions

# PART ONE INTRODUCTION

This report provides an updated national picture of the scale of the community housing industry in Australia and its current financial and operating position.

**The report builds on the 2019/20 inaugural report, Australia's community housing industry in profile, 2020. It has been compiled from the records of 102 of the largest registered community housing organisations, which together deliver an estimated 96% of all community housing. The data presented are for the 2020/21 financial year.**

Some comparisons to the preceding financial year (2019/20) are also included. It is important to note, however, that each year's data base is not directly comparable. Changes in the organisational composition of the data base result from organisational mergers, new registrations and cancelled registrations.

The report has been prepared by Vivienne Milligan and Wendy Hayhurst for the Community Housing Industry Association (CHIA). Assistance with data collection was provided by Parian Hoseini (City Futures Research Centre UNSW, Sydney), Mary Lin (National Housing Finance and Investment Corporation), CHIA NSW, the Victorian Housing Registrar and WA Shelter.

CHIA is the peak body representing 150+ not for profit community housing organisations across Australia. Community housing offers secure, quality housing at affordable rents to people on low and moderate incomes who find it hard to access affordable and appropriate tenancies in the private market.

Our community housing members are charitable not-for-profit organisations that re-invest any surplus revenue into new housing, better services or improving our properties – not into dividends for shareholders or executive bonuses. They are required to be registered in a government regulatory regime and are subject to regular assessments of their compliance with service, governance, and financial performance standards.

SPENCE ON LIGHT, HOUSING CHOICES AUSTRALIA, ADELAIDE



# PART ONE INTRODUCTION

## ORGANISATIONS COVERED

The starting point for profiling the Australian community housing industry is all Tier 1 and Tier 2 (or equivalent) CHOs registered with one or more of the National Regulatory System for Community Housing (NRSCH), the Victorian Housing Registrar or the Western Australian Community Housing Registrar.<sup>1</sup> Tier 1 and 2 CHOs<sup>2</sup> are the large and medium size organisations in each jurisdiction whose core social purpose is to provide long-term rental housing at rents affordable to very low, low and moderate-income households.

Data were initially collected for Tier 1 and Tier 2 CHOs (or equivalent in Victoria and WA) as registered on 30 June 2021.<sup>3</sup> Within this set of registered CHOs there are eight group structures: those comprising more than one registered entity (e.g., a parent and subsidiary entities). For such cases, the data were combined into one record for the group. In addition, 11 registered organisations which were not operational at the time of the analysis or for which adequate data could not be obtained were dropped from the final analysis.

To maintain coverage at around 100 organisations,<sup>4</sup> five larger Tier 3 organisations for which suitable data was available were added to the data base.

The remainder of Tier 3 registered organisations (about 255 across all jurisdictions) are not covered.<sup>5</sup> In total it is estimated these small local CHOs represent less than 4% of the industry in terms of tenancies managed. They also have minimal balance sheets and are not active in property development. Overall, however, their omission means that the financial and non-financial indicators in the report are likely to marginally understate the dimensions of the industry.



## DATA COLLECTION METHODOLOGY

As there is no national record of the aggregate dimensions of the community housing industry, compilation of the industry profile relied on painstaking analysis of individual CHO records. The primary data sources were the 2020/21 annual reports and annual audited financial statements of the selected organisations.

Data from those sources has been triangulated with information drawn from CHO websites, community housing registrar reports and CHIA member records. Where necessary further information and data have been obtained directly from individual CHOs.

Twelve variables have been analysed for each organisation. These comprised:

- Tenancies managed
- Dwellings owned
- Development pipelines
- Service locations by jurisdiction
- Operating position – measured by total revenue, rent revenue, total expenditure
- Balance sheet – measured by total asset value, land and building asset value, total liabilities, borrowings and net equity

Definitions for these variables are provided on page 15 of this report. Financial data collected generally covered two financial years, 2019/20 and 2020/21.

The selection of variables was guided by the customary reportage in organisational annual reports. It was intended to complement other sources of information on CHO performance and tenant outcomes such as that already provided by community housing registrars, national and state peak bodies or in government reports.<sup>6</sup>

The main limitation affecting data quality and coverage is the lack of standardisation of non-financial indicators used in annual reports. There has, however, been progress in developing standard national definitions of housing services (social housing, specialist housing, affordable housing, transitional housing etc) through the NRSCH. This source has been used this year for organisations registered in this regulatory system to improve data quality. However, some inconsistencies across jurisdictions (even between those that have adopted the NRSCH) remain. There is also no requirement for CHOs to publish a specific minimum set of property indicators. Hence, CHOs choose and define their own measures to report. This contrasts with reported financial data which is standardised and audited.

# PART ONE INTRODUCTION

As a result, the property and tenancy data analysed for this report is inevitably less reliable than the financial data. That said, considerable effort has been taken to check the data presented in this report. Where it was not possible to reach an acceptable standard of reliability, we have not included the information. This was the case for example for the breakdown of tenancies managed by category (e.g., social housing, affordable housing).

The range of activities conducted by CHOs varies and this has impacts on some of the metrics used. For instance, some registered entities may be a division of a larger welfare conglomerate (for example faith-based organisations) or they may operate other services alongside their housing function. In these cases, financial data may include revenue, expenditure, assets and liabilities related to other (non-housing) functions. Wherever the data allowed, however, the analysis has been limited to the organisation's community housing functions.<sup>7</sup>



CHC HOUSING DOWNER RESIDENTIAL PRECINCT CANBERRA, ACT

## OPERATING CONTEXT

**Provision of social and affordable rental housing by not-for-profit organisations is an important and growing component of Australia's small non-market housing sector. By 2021 official data showed that the share of social housing provided in this sector had risen to over 27% of all social housing provision in Australia, up from a 12% share in 2010.<sup>8</sup> Additionally in June 2021, around 12,000 dwellings of affordable housing rental supply under the National Rental Affordability Scheme (NRAS), were being provided by registered CHOs, representing 37% of all NRAS-funded rental housing.<sup>9</sup>**

Growth during the year was mainly achieved through state government stimulus investment in additional social and affordable housing supply in response to the COVID pandemic. The largest new supply programs available to CHOs were Victoria's Big Housing Build, Queensland's Housing Investment Growth Initiative and Tasmania's Social Housing Supply. Many of the anticipated 23,000 new dwellings from these investment programs (Leishman et al 2022)<sup>10</sup> will be owned and/or managed by CHOs. Smaller growth opportunities also arose from CHOs taking on the management of former public housing or newly developed social and affordable housing developed on former sites of public housing. Nationally, funding under the National Disability Insurance Scheme (NDIS) for the provision of Specialist Disability Accommodation (SDA) continued to be available to CHOs, several of which reported new SDA developments.

The financial year 2020/21 marked the third year of the operation of the National Housing Finance and Investment Corporation's (NHFIC) bond finance program. Under the Australian Government's aegis, NHFIC raised \$805m in three social bond issues in 2020/21 to help finance or refinance social and affordable housing procurements and renovations through CHOs. Low cost 10 or 15-year tenor loans were allocated to 9 large CHOs in NSW, Victoria, WA, SA and Tasmania (NHFIC 2020). Over 2,100 new dwellings are anticipated to result from these loans and grants to CHOs, along with refurbishment activities. By year's end, the NHFIC program had raised a total of close to \$2b from over 60 institutional investors for on-lending to CHOs.<sup>11</sup>

During 20/21 the COVID-19 pandemic continued to affect the operating environment of CHOs, particularly on the eastern seaboard. The results of CHIA's second survey undertaken in 20/21 to assess the impact on operations suggested that disruptions associated with the ongoing COVID-19 pandemic were affecting the scheduled delivery of planned maintenance and development programs, with the first signs appearing of supply chain issues and workforce shortages. The survey results also suggested rising demand for social and affordable housing. Most CHOs had not been impacted financially, the exception being smaller organisations managing shared housing.<sup>12</sup>

# PART TWO

# HOUSING PROFILE

## TENANCIES

The final set of 100 CHOs included in the analysis managed 122,130 housing tenancies.<sup>13</sup> This incorporated general social housing tenancies, medium term/fixed term tenancies, specialist tenancies (for example for tenants with disabilities), affordable rental tenancies and a small number of places (estimated as 1,110) designated for and managed as crisis housing, where these were separately reported. Although tenancy type could not be fully enumerated because of data limitations, most tenancies managed were forms of social housing (estimated at around 83% - circa 101,000 homes).

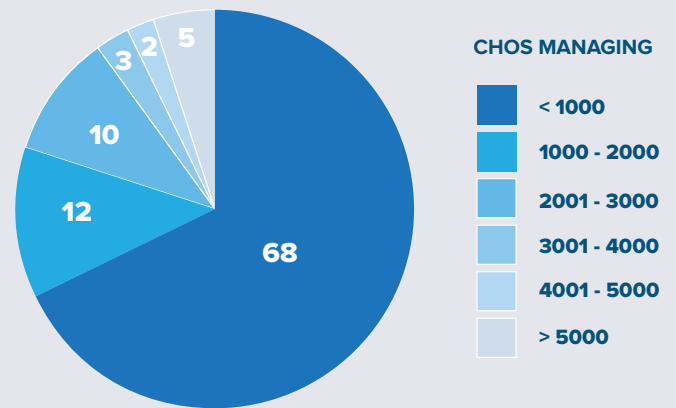
The 2002/21 profile indicates there were 4,057 additional tenancies above the 2019/20 level (118,073). This net increase can be attributed to modest growth in some programs and improved data. There was, however, a loss of over 1,000 NRAS-funded tenancies across the industry, an unknown number of which may no longer be provided as affordable housing.<sup>14</sup>

Over 83% of all tenancies (101,658) were managed by 40 Tier 1 organisations, an average of 2,541 tenancies per CHO. The remainder of CHOs (60) managed nearly 17% of all tenancies (20,472), at an average of 341 tenancies each.

CHOs vary significantly in scale. The distribution in the number of tenancies managed across the set of CHOs is shown in Figure 1. Two thirds of CHOs (68), comprising 10 Tier 1 and 58 T2/3 organisations, manage fewer than 1,000 tenancies. The largest CHO managed over 11,000 tenancies, while nine had fewer than 100 tenancies. Many of the smallest CHOs were self-managed housing cooperatives, a distinctive part of the industry, particularly in Victoria.

Table 1 and Figure 2 each show the proportion of tenancies managed by organisations of different scales. The five largest CHOs now manage over 31% of all tenancies, up from 28% in 2019/20. Mergers negotiated by several organisations have resulted in a reduction in medium-sized organisations. Small organisations remain the most numerous. Sixty-eight organisations manage just over 20% of all tenancies, while 32 CHOs manage the remaining 80% (see Figure 2).

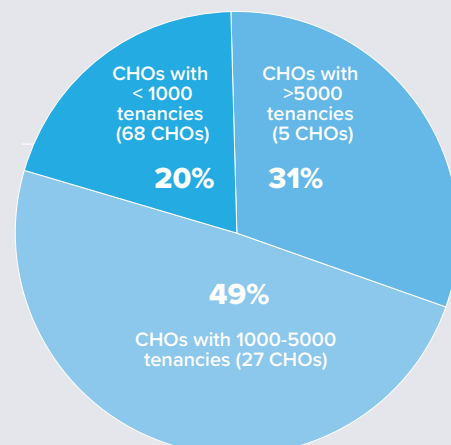
**FIGURE 1:** CHOS AT JUNE 2021: BREAKDOWN ACCORDING TO NO. OF MANAGED TENANCIES



**TABLE 1:** SHARE OF TENANCIES MANAGED BY SCALE OF ORGANISATION, 2020/21

NO. MANAGED TENANCIES	NO. CHOs	% TENANCIES
< 1,000	68	20.3
1,000-2,000	12	13.6
2,001-3,000	10	19.8
3,001-4,000	3	8.1
4,001-5,000	2	6.9
> 5,000	5	31.3
<b>Total</b>	<b>100</b>	<b>100</b>

**FIGURE 2:** DISTRIBUTION OF COMMUNITY HOUSING TENANCIES ACROSS CHOS, ACCORDING TO CHO SIZE CATEGORY, JUNE 2021



# PART TWO HOUSING PROFILE

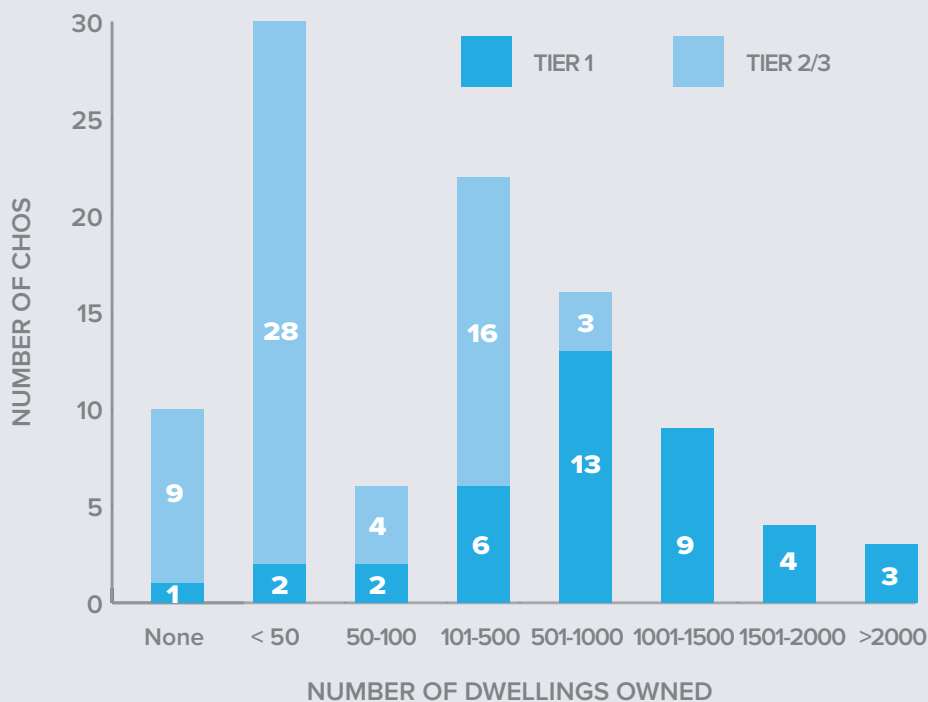
## DWELLINGS OWNED

Data on homes owned by CHOs (rather than those being managed on behalf of another party) improved for 2020/21. Only 10 CHOs did not own any dwellings. The other 90 CHOs collectively owned 39,487 dwellings. Tier 1 organisations (39) owned 83% of these (32,849), at an average of 842 dwellings per CHO. Another 51 CHOs owned an average of 130 dwellings each.

Tenancy and property data cannot be directly compared because some dwellings have more than one tenancy (e.g., rooming houses). For the most part, however, dwellings and tenancies correspond. We estimate, therefore, that around a third of all tenancies are in dwellings owned by CHOs. Other dwellings are, in the main, owned by state or territory governments. A minority are privately owned properties managed by CHOs on a headlease or fee-for-service basis.

The number of dwellings owned by a CHO varied from one to over 2,900. Thirteen CHOs own over 1,000 properties. Grouped data on the number of dwellings owned is shown in Figure 3. The opportunity for CHOs to own property is determined in the main by Commonwealth and state/territory government policies (both historic and current) concerning leasing versus ownership transfer of dwellings acquired with public funding and by the functions of the CHOs - especially whether they are developer organisations or not.

FIGURE 3: CHO-OWNED DWELLINGS, JUNE 2021



# PART TWO HOUSING PROFILE

## DEVELOPMENT PIPELINES

**An increasing number of CHOs are developing their own social and affordable housing, taking up public subsidy incentives and raising co-financing contributions to enable this. This measure, therefore, gives one growth metric for the industry.**

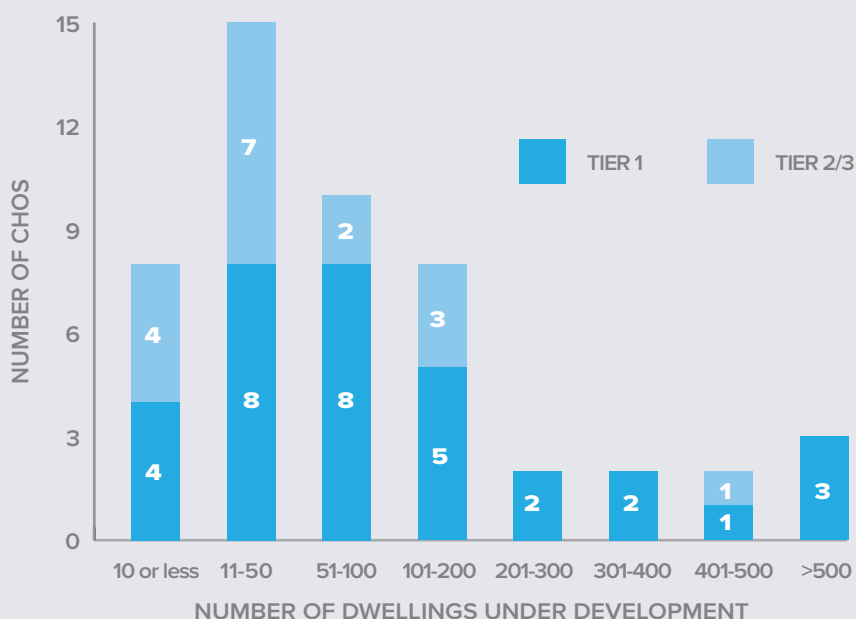
Fifty organisations reported development pipelines at 30 June 2021. In aggregate this comprised 5,991 dwellings, defined as having at least achieved development approval, and includes those under construction. Both larger and smaller organisations are investing in growing community housing: 4,900 (82%) of the dwelling pipeline had been initiated by Tier 1 CHOs and 1,091 (18%) by Tier 2/3 CHOs. Development pipelines per organisation averaged 153 dwellings for Tier 1 CHOs and 64 dwellings for Tier 2/3 CHOs. The top ten ‘developer’ CHOs were delivering 68% of the pipeline. Figure 4 shows the spread of CHO pipelines.

Capacity to invest in housing development depends on factors both internal to and external to CHOs. Among the former, project development skills and experience and financial strength – the scope to leverage balance sheets and cash flows – are critical. Key external factors include access to development sites (such as made available under planning provisions), and the financial incentives for additional supply that are offered in each jurisdiction, and how these are targeted. In the reporting period, the major incentives that had contributed to development pipelines included:

- **state-based programs** especially the Victorian Big Housing Build. These programs variously provide land, capital grant or recurrent payments for non-government suppliers of social and affordable housing
- **revenue subsidy** available for building SDA under the National Disability Insurance Scheme
- **Other miscellaneous funds** (e.g., regional development funds or lottery funds) which may offer capital for development.

The scale of these opportunities varies considerably across jurisdictions. There has been no new national program for over a decade.<sup>15</sup> The overall 2020/21 pipeline was smaller than for the previous year due to the conclusion of some state-funded supply programs and the impact of COVID on procurement feasibility and timeframes. However, pipelines for several Tier 1 organisations increased in 2020/21 because of their access to the expanded investment programs referred to earlier. Accordingly, average pipelines for Tier 1 CHOs increased from 129 dwellings in 2019/20 to 153 dwellings this reporting year, a situation that if continued will enable them to maintain their development operations and plan more strategically. It is also important to note that many CHOs make additional turnkey acquisitions in private developments or buy in the established market – those acquisitions are not counted in the pipeline data.<sup>16</sup>

**FIGURE 4: DWELLINGS UNDER DEVELOPMENT BY CHOs, JUNE 2021**





# PART TWO HOUSING PROFILE

## LOCATION OF COMMUNITY HOUSING SERVICES

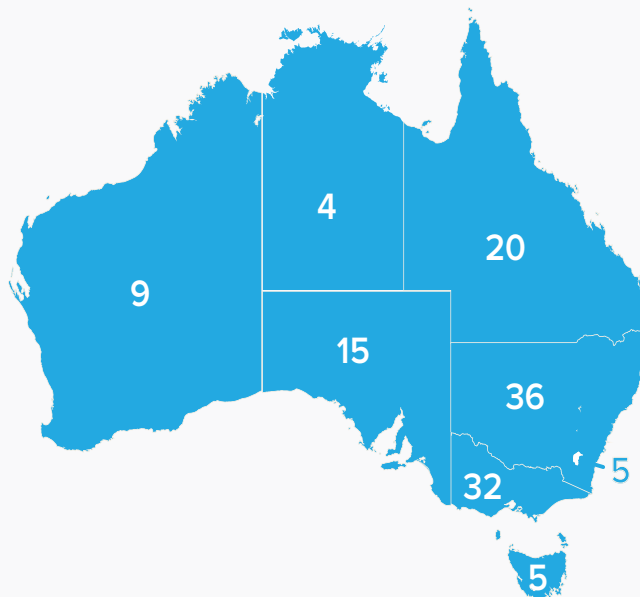
CHOs provide homes in most parts of Australia.<sup>17</sup> Table 2 shows the number of surveyed CHOs operating in each Australian jurisdiction. The distribution of CHOs reflects both population levels across the states and territories and the varied historic approaches that have been taken to the development and growth of the industry in each jurisdiction.

Fourteen CHOs provide tenancies in multiple jurisdictions and manage one third of all tenancies between them.<sup>18</sup> Three of these CHOs are among the largest organisations in the industry and have significant asset holdings in several jurisdictions, often resulting from merger with or taking over a pre-existing local CHO. Among the multi-jurisdictional operators there are four large faith-based organisations, which provide social and affordable housing alongside a range of other community services. Other large CHOs operate in a single jurisdiction and, often, in one region or cities. The small CHOs tend to operate in one town or suburb in metro areas or over a sub-region. The data set included seven Indigenous-controlled CHOs which are registered under the community housing regulatory systems – an increase of three since 2019/20.

**TABLE 2:** NO. OF SURVEYED CHOS OPERATING IN EACH JURISDICTION, 2021<sup>19</sup>

JURISDICTION	TOTAL NO. CHOs	TIER 1 CHOs	TIER 2/3 CHOs	MULTI-JURISDICTIONAL
New South Wales	36	21	15	11
Victoria	32	12	20	7
Queensland	20	9	11	7
South Australia	15	7	8	4
Western Australia	9	3	6	2
Tasmania	5	4	1	4
Australian Capital Territory	5	3	2	4
Northern Territory	4	-	4	1
<b>Total no. CHOs operating</b>	<b>126</b>	<b>59</b>	<b>67</b>	<b>40</b>

### NO. SURVEYED CHOs



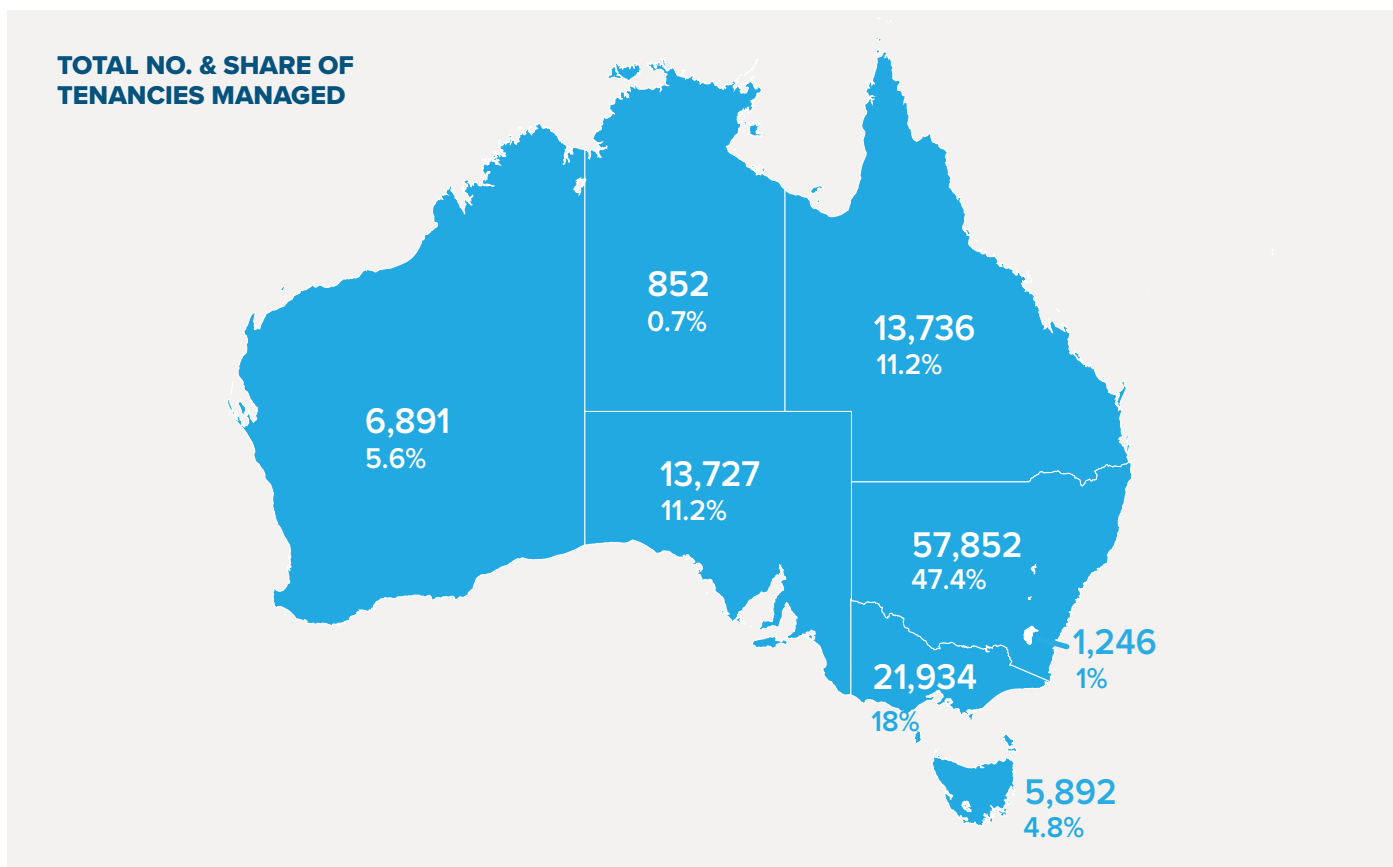
# PART TWO HOUSING PROFILE

## LOCATION OF COMMUNITY HOUSING SERVICES

The distribution of tenancies managed by jurisdiction is shown in Table 3. New South Wales, South Australia and Tasmania each have a larger share of community housing tenancies compared to their household share. Community housing is underrepresented in all other jurisdictions.<sup>20</sup>

**TABLE 3: TENANCIES MANAGED BY CHOs BY JURISDICTION, 2021**

JURISDICTION	NO OF TENANCIES	% ALL COMMUNITY HOUSING TENANCIES	STATE/TERRITORY TOTAL HOUSEHOLDS AS % OF ALL AUS HOUSEHOLDS <sup>21</sup>
New South Wales	57,852	47.4	31.5
Victoria	21,934	18.0	26.1
Queensland	13,736	11.2	19.9
South Australia	13,727	11.2	7.3
Western Australia	6,891	5.6	10.3
Tasmania	5,892	4.8	2.3
Australian Capital Territory	1,246	1.0	1.7
Northern Territory	852	0.7	0.8
<b>Total no. CHOs operating</b>	<b>122,130</b>	<b>100</b>	<b>100</b>



# PART THREE FINANCIAL PROFILE

## OPERATING PERFORMANCE

### A. TOTAL REVENUE

**Total revenue primarily comprises revenue from rents, public grants, other business activities, investments, and donations.**

The surveyed CHOs received total revenue of \$1.85b in 2020/21, a 4% increase on the 2019/20 level. Over 78% of the revenue (\$1.45b) was collected by the 40 Tier 1 CHOs, an average of \$36.3m. Fifty-eight Tier 2/3 CHOs received \$399m in total revenue; an average of \$6.9m. There are wide variations between organisations, reflecting the diversity in CHO scale and business operations.

### B. RENT REVENUE

**Revenue from rents – \$1.1 b – is the largest component of CHO revenue, comprising 57% of all revenue received. As shown in Figure 5, Tier 1 CHOs received significantly more of their revenue from rent (63%) than Tier 2/3 CHOs (36%), which are more reliant on grant income provided for services.**

On average, CHOs received \$8,970 per annum in rent for each tenancy they managed. Tier 1 CHO rent receipts averaged \$9,187 per tenancy, while Tier 2/3 average rents per tenancy were lower at \$7,805.<sup>22</sup> Variations in rent levels around this average largely reflect differences in household profiles (numbers of smaller or larger households and very low, low or moderate incomes), and the mix of social, affordable and other housing held in each CHO's portfolio.<sup>23</sup>

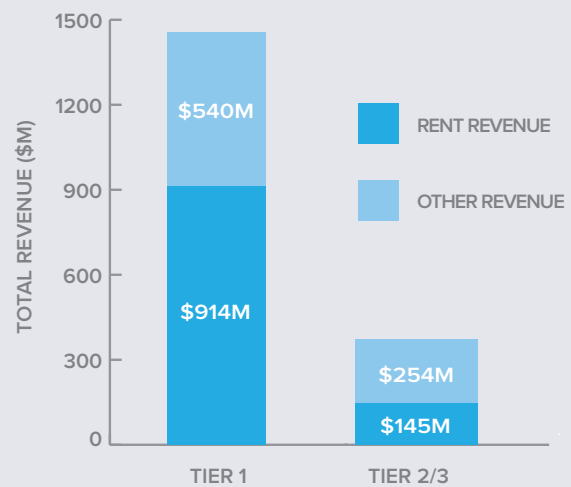
Rent revenue appears to have remained static in 2020/21 (compared to 2019/20) contributing to a small overall decline in rent as a proportion all revenue. This may reflect the impact of the COVID pandemic on some CHO finances.

### C. EXPENDITURE AND OPERATING POSITION

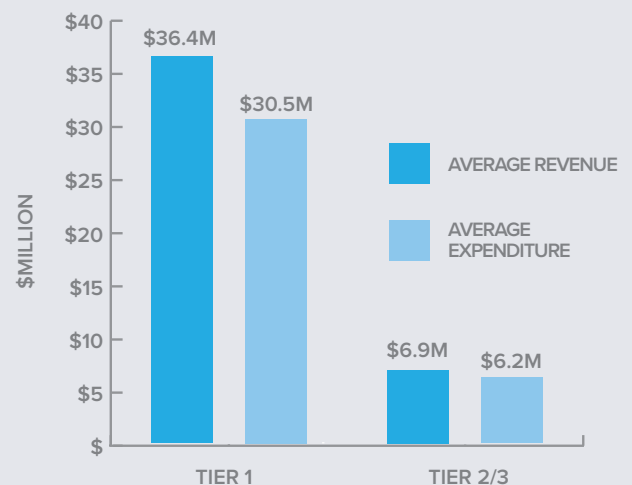
**Aggregate expenditure across all CHOs was \$1.58b in 2020/21, a modest 5% increase on the previous year.**

Comparing annual revenue to annual expenditure revealed a net surplus across the industry – 15% of total revenue was retained after accounting for all expenditure in 2020/21. The surplus for larger organisations is greater than that for smaller organisations, suggesting some economies of scale – see Figure 6.

**FIGURE 5: RENT REVENUE AS PROPORTION OF TOTAL REVENUE (\$M) BY CHO TIER 2020/21**



**FIGURE 6: AVERAGE ANNUAL REVENUE AND EXPENDITURE PER CHO (\$M) 2020-21**



# PART THREE FINANCIAL PROFILE

## BALANCE SHEET

The community housing industry had total assets valued at 15.1b in 2020/21.<sup>24</sup> Eighty-eight percent of total asset value was held by Tier 1 CHOs.

The average asset holding of CHOs in the Tier 1 group was \$330m. However, 24 Tier 1 CHOs had total assets below the average, this being boosted by a few very large CHOs. Figure 7 shows the distribution of asset values by organisation for the Tier 1 group. Fifty-six Tier 2/3 CHOs had asset holdings valued at \$33m on average. Asset holdings across this group of CHOs vary widely. Five Tier 2/3 organisations had between \$126m and \$200m in assets, but 37 CHOs had assets below that average.

## LAND AND BUILDINGS

Land and buildings comprised the largest share (79%) of asset value. Tier 1 CHOs held 80% of their total assets in land and buildings and Tier 2/3 CHOs 70%, likely reflecting a larger share of grants held in reserve in that group – see Figure 8.



CITY WEST HOUSING, BLACKWATTLE APARTMENTS SYDNEY

FIGURE 7: VALUE OF TOTAL ASSETS (\$M) TIER 1 CHOs, JUNE 2021

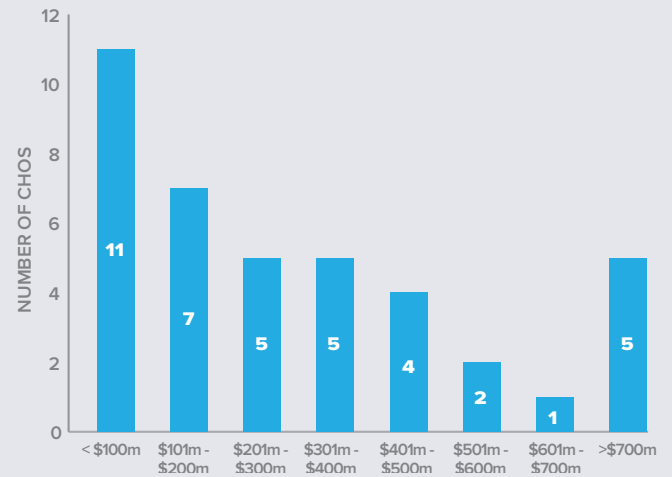
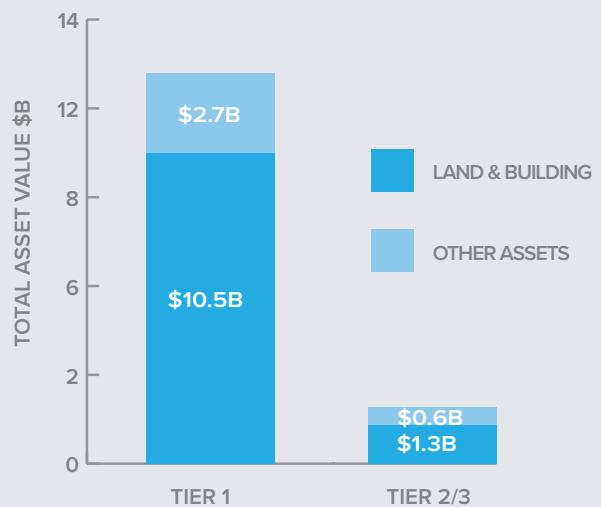


FIGURE 8: LAND AND BUILDINGS (\$) AS SHARE OF TOTAL ASSETS (\$) BY CHO TIER, JUNE 2021



# PART THREE FINANCIAL PROFILE

## TOTAL LIABILITIES

Total liabilities of CHOs were \$4b in 2019/20, 26% of the value of total industry assets. Figure 9 displays liabilities and net equity as components of total asset value (\$15.1b) in the industry.

Total liabilities as a share of total assets for Tier 1 CHOs is shown in Figure 10. The average ratio of liabilities to assets for this group of CHOs is 26.5%, a 15% increase on the previous year. The trend line shows most CHOs are clustered around the average leverage rate.

## BORROWINGS

Total liabilities included \$2.3b (58%) in borrowings to support development and acquisitions. Fifty-three CHOs had borrowings for this purpose. CHOs borrowings increased by a third between 2019/20 & 2020/21, following on from an increase of over 50% in the previous year. The continuing rise in borrowings largely reflects increased lending into the industry by the National Housing Finance and Investment Corporation.<sup>25</sup>

## NET EQUITY

After liabilities are deducted, net equity in the community housing industry amounted to \$11.1b at the end of June 2021 (see Figure 9).

Tier 1 CHOs held 87% of the industry's net equity, at an average of \$243m per CHO. Figure 11 displays the spread of net equity among Tier 1 CHOs. The Tier 2/3 CHOs had average equity of \$24m.

FIGURE 9: COMPONENTS OF TOTAL INDUSTRY ASSETS (\$B), ALL CHOs, JUNE 2021

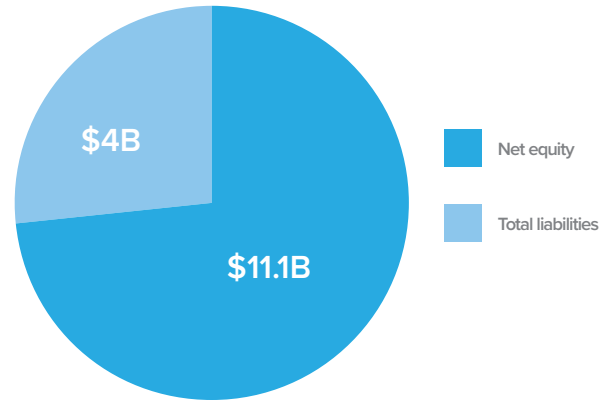
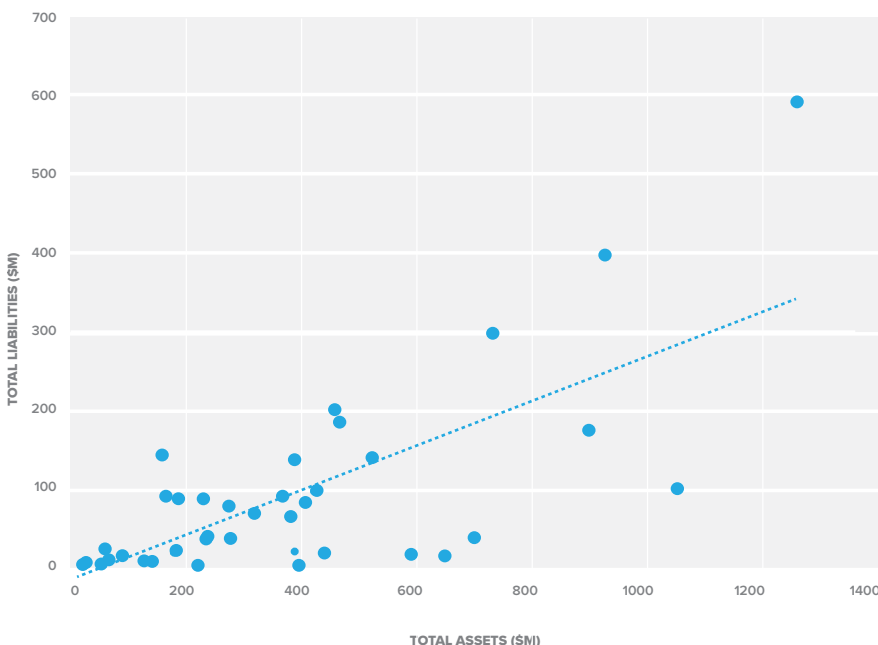


FIGURE 11: NET EQUITY (\$M) TIER 1 CHOs, JUNE 2021



FIGURE 10: TOTAL LIABILITIES AGAINST TOTAL ASSETS, TIER 1 CHOs, 2021



COMMUNITY HOUSING LTD, SDA, WOOLLOOWIN, BRISBANE



# SURVEY SUMMARY

Table 4 provides an overview of the metrics contained in the report.

TABLE 4: INDUSTRY METRICS 2020/21 AT A GLANCE

METRIC	ALL CHOs (100)	TIER 1 CHOs (40)	TIER 2/3 CHOs (60)
Tenancies managed	122,130	101,658	20,472
Dwellings owned	39,487	32,849	6,638
Dwelling pipeline	5,991	4,900	1,091
Total revenue	\$1.85b <sup>1</sup>	\$1.45b	\$0.4b <sup>2</sup>
Rent revenue	\$1.05b <sup>3</sup>	\$0.91b <sup>4</sup>	\$0.14b <sup>5</sup>
Total expenditure	\$1.58b <sup>1</sup>	\$1.22b	\$0.36b <sup>2</sup>
Total assets	\$15.1b <sup>6</sup>	\$13.2b	\$1.9b <sup>5</sup>
Land & building assets	\$11.9b <sup>3</sup>	\$10.6b <sup>4</sup>	\$1.3b <sup>5</sup>
Total liabilities	\$4b <sup>6</sup>	\$3.5b	\$0.5b <sup>5</sup>
Total borrowings	\$2.3b <sup>6</sup>	\$2.1b <sup>4</sup>	\$0.2b <sup>7</sup>
Net equity	\$11.1b <sup>6</sup>	\$9.7b	\$1.4b <sup>5</sup>

Due to missing or inaccurate data, not all CHOs were included in the analysis of some variables, as indicated below.

<sup>1</sup>98 CHOs; <sup>2</sup>58 CHOs; <sup>3</sup>96 CHOs; <sup>4</sup>39 CHOs; <sup>5</sup>57 CHOs; <sup>6</sup>97 CHOs; <sup>7</sup>59 CHOs

## A NOTE ON INDUSTRY STRUCTURE

As the property and financial data presented in the report display, the community housing industry's structure is asymmetric.

First, a small number of often multi-jurisdictional CHOs are particularly large and second NSW has by far the largest community housing sector. Thirdly there is considerable diversity between CHOs of a similar size in terms of their geographical footprint, the population cohorts they target, and the activities other than tenancy management they deliver.

## DEFINITIONS OF VARIABLES

VARIABLE	DEFINITION
<b>Managed Rental Tenancies</b>	Count of rental tenancies managed by the CHO on June 30. Includes affordable rental housing, social rental housing, specialist accommodation (e.g., disability), medium or fixed term tenancies (referred to as transitional housing in some jurisdictions) and crisis housing. Excludes market rentals and residential aged care.
<b>Dwellings Owned</b>	Count of all residential dwellings owned by the CHO on June 30
<b>Dwelling Pipeline</b>	Count of all dwellings under construction by the CHO or for which DA approval had been received on June 30
<b>Service Locations</b>	State/territory where housing services are provided
<b>Total Revenue</b>	Total revenue reported in Profit & Loss Statement June 30
<b>Rent Revenue</b>	Revenue from rent reported in Profit & Loss Statement June 30
<b>Total Expenditure</b>	Total expenditure reported in Profit & Loss Statement June 30
<b>Total Assets</b>	Value of total assets on Balance Sheet June 30
<b>Land &amp; Building Assets</b>	Value of land and building assets on Balance Sheet June 30
<b>Total Liabilities</b>	Value of total current and non-current liabilities on Balance Sheet June 30
<b>Borrowings</b>	Total borrowings (financial liabilities) on Balance Sheet June 30
<b>Net Equity</b>	Total assets minus total liabilities June 30

**1** Registration is required for community housing organisations to receive public subsidies to support their provision of housing services.

**2** Under the NRSCH, registered CHOs can register in one of three tiers according to the scope, scale and complexity of their business activities:

- Tier 1: housing providers with asset procurement and development functions (and the ability to grow social and affordable housing supply through construction, purchase or acquisition) and/or complex tenancy and property management functions that operate at scale.
- Tier 2: housing providers typically involved in moderately complex asset and tenancy management activities.
- Tier 3: housing providers typically involved in small-scale tenancy management activities.

Western Australian uses a similar classification to the NRSCH. Under the Victorian housing register, the equivalent of a Tier 1 provider is a 'housing association'. Other organisations in Victoria are registered as 'housing providers'. For simplicity and comparability, we have recorded VIC housing associations as T1 and the housing providers as T2/T3.

**3** The profile does not include Indigenous Community Housing Organisations unless they are registered under one of the mainstream community housing regulatory systems.

**4** Due to missing or inaccurate data, not all CHOs were included in the analysis of some variables (see Table 4 for more information).

**5** The analysis was confined to large and medium sized organisations because of the laborious manual data collection necessitated by reliance on each individual organisation's annual report and financial statement.

**6** Complementary resources include: the annual performance reports on registered entities that are provided by the NRSCH and the Victorian Register of Housing; data bases of the Community Housing Industry Associations and other peak bodies in each jurisdiction and PowerHousing; and the Report of Government Services (Part G: Housing and Homelessness) published annually by the Productivity Commission.

**7** Where a data entry for a particular variable had the potential to be misleading it was removed from the analysis.

**8** Steering Committee for the Review of Government Service Provision (2023) Report on Government Services, Part G: Housing and Homelessness, Canberra: Productivity Commission. Note this indicator includes Indigenous controlled community housing (15,814 dwellings).

**9** Australian Government (2021) National Rental Affordability Scheme Quarterly Performance Report, June.

**10** Leishman, C., Aminpour, F., Baker, E., Beer, A., Crowe, A., Goodall, Z., Horton, E., Jacobs, K., Lester, L., Torchia, S., MacLennan, D., Martin, C., Nash, M., Pawson, H., Rowley, S., Stone, W. and Ong ViforJ, R. (2022) Australia's COVID-19 pandemic housing policy responses, AHURI Final Report No. 376, Australian Housing and Urban Research Institute Limited, Melbourne.

**11** National Housing Finance and Investment Corporation (NHFIC) (2021) Social Bond Report 2020-21, Canberra: Australian Government.

**12** Stuart, C (2021) Covid-19-Survey-2-web-final.pdf (communityhousing.com.au).

**13** The main official source of information on the number of community housing tenancies is the annual Report of Government Services. In that record, total dwellings (tenantable and non-tenantable) offered by CHOs on 30 June 2021 was given as 101,880 dwellings (Steering Committee for the Review of Government Service Provision (2023), op. cit. Table 18A.3). This figure is compiled from jurisdictional returns that use different definitions of a community housing dwelling.

**14** On expiry of NRAS subsidies for an affordable rental property (usually after 10 years), the property owner may continue to charge an affordable rental, rent it at a market level, or dispose of it at their discretion. Most CHOs aim to retain the affordable rentals that they own where this is financially feasible. However CHOs do not own all the homes they manage under NRAS and investors generally will require the home to sold or revert to market rental rates.

**15** The last national financial incentive scheme available to community housing organisations was the 2008 National Rental Affordability Scheme (NRAS). New funding rounds ceased in 2013 when the scheme was closed.

**16** Social housing development being progressed by state/territory governments to generate homes for CHOs management under contract (e.g. as in the NSW Government's Communities Plus program) are also an additional source of new supply.

**17** Remote Australia is largely served by Indigenous Community Housing Organisations which are generally not included in this profile - see also endnote (3).

**18** An interstate or multi-jurisdictional CHO is one which has its head office and primary registration in one state or territory and provides services in one or more additional jurisdictions.

**19** The numbers in this table include multi-jurisdictional CHOs in each jurisdiction that they operate.

**20** Note that Queensland uses a different definition of community housing to other jurisdictions.

**21** Household estimates from Australian Bureau of Statistics, Household and Family Projections, Australia 2016 – 2041, Series 1 projections June 2021.

**22** Inaccuracies in the recording of number of tenancies managed could affect the reliability of this result.

**23** Rent setting varies according to the type of rental product and jurisdictional policies. Typically, social housing rents are limited to a proportion of income (normally around 25% of assessed household income) and affordable housing rents are discounted market rentals (normally around 75% of the market rate). CHOs may also receive rents from market rate properties that they manage.

**24** Improved data makes this a more reliable figure than reported in the previous digest.

**25** NHFIC loans to finance new housing acquisitions appear in CHO balance sheets in their entirety on approval and are drawn on by the recipient CHO progressively as procurement costs are incurred.