

Bendigo Bank, housing providers in \$50 million pilot to boost home ownership



Releasing capital for providers to develop more homes: Community Sector Banking chief executive Andrew Cairns. **Supplied**

by [Michael Bleby](#)

Community Sector Banking will this month start a \$50 million pilot program to subsidise affordable housing tenants to buy their own home.

The bank, half owned by Bendigo Bank, will pair with community housing providers Haven, Home Safe in Victoria, and Housing Plus in regional NSW in a 12-month project that will assess the desire and ability of housing clients to own their rental home and then back qualifying applicants under a shared equity model to take out a mortgage.

Unlike existing shared-equity models such as WA's successful Keystart program, the program, called Unpack for Good, would keep the community housing providers – who have ongoing relationships with the clients and know their personal circumstances – close to the successful applicants and aware of their financial situations.

"This is a way to have relationship between the person aspiring for home ownership, a housing provider and mainstream financial services to have a win-win-win," said Andrew Cairns, the chief executive of Community Sector Banking, a business jointly owned by Bendigo Bank and a group of not-for-profit organisations.

For the providers, it offers a way to recycle capital and boost their funds available to develop new affordable rental housing stock, which is generally made available to qualifying low-income households at 75 per cent of market rates.

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"The aspiring home owner has the ability to pay for a mortgage but needs help in getting a deposit. The housing provider assists them by maintaining an equity position in the home," Mr Cairns said.

"Community housing providers have all their capital locked up a home. This [gives] capital they release to deploy new homes."

Mix of housing types

A lack of affordable accommodation is a particular problem in regional Australia.

"The only cure for the housing crisis is more affordable housing stock – this innovative pilot has been designed to deliver just that in regional Australia," said Ken Marchingo, the chief executive of Haven; Home, Safe.

The scheme, if successful, will also offer one way to engineer a more diverse mix of housing types, by combing both affordable rental housing residents in the same development, an outcome currently prevented after [Treasurer Scott Morrison last year ruled out](#) the use of concessionary tax structures for investment in long-term at-market rental stock or privately owned homes.

Managed investment trusts could only qualify for [the beneficial 15 per cent withholding tax](#) if they were solely dedicated to the provision of affordable rental stock, Mr Morrison said, a policy the property industry says is a hurdle to creation of an at-market build-to-rent sector [as well as the creation of more affordable housing](#), although this would require [a further subsidy](#).

Many people in key worker housing aspired to own their own home and could sustainably do so, but needed help to get there, Mr Cairns said.

"Someone in an affordable housing environment might find themselves in a life circumstance where they have the ability to pay near-commercial or commercial rents, but don't have sufficient financial capacity to save the deposit," he said.

"By having the community housing provider maintain an equity position, having knowledge of the client, you actually have this environment of relationship and trust.

"And it enables the housing provider to release some currently constrained capital to lever against other stock."