

# Britain offers ideas on affordable housing



Geraldine Howley and Nicola Lemon in Melbourne yesterday. Picture: Aaron Francis.

- The Australian
- 12:00AM October 5, 2017
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- [ELIZABETH REDMAN](#)

Property reporter  
Melbourne  
[@elizabethredman](#)

The expansion of community housing in Britain has seen the sector gain scale and access cheaper financing to upgrade dwellings and build new homes, which could provide a model for Australia, experts say.

As affordable dwellings that were previously under the management of local councils have been transferred to community housing providers in Britain, the sector has been transformed.

The experience offers insights for Australia as the federal government forges ahead with a plan to allow cheap financing for affordable housing stock.

In Australia, most social housing is owned by state governments and a smaller proportion is community housing — although there is a push to transfer a smaller amount of units to community housing providers.

This transfer of stock was “the best thing” in British housing policy for many years, Incommunities chief executive Geraldine Howley said on a visit to Melbourne for the International Housing Partnership Exchange conference.

Once community housing providers had greater scale, they were able to access loans from commercial lenders at “fantastic rates” because of their property assets and regular income from tenants. “Stock transfer enabled a lot of underinvestment — and homes that were non-decent — to be brought up to standard,” Ms Howley said.

“It allowed us to go out and do all the kitchens, all the bathrooms, rewiring, reroofing, you name it, everything. Double glazing, insulation, the whole works.”

The funds were used to build new homes, after a sustained lack of investment in new builds.

In Britain, more than 1.5 million council houses were transferred to community housing providers over the past 20 years. Of Australia’s roughly 428,000 social housing units, about 80,000 are community housing and the rest are state-owned, but the community housing sector in Australia has been growing in recent years and is set to expand further.

Australia’s 30 largest community housing providers have almost doubled their number of housing units to more than 50,000 over the past four years worth \$15.4 billion and housing more than 80,000 people, according to a report launched at the conference by peak body PowerHousing Australia.

The group’s members expect to manage another 3625 units in the next two years.

The figures come at a time of heightened concern over housing affordability, particularly in the east coast capitals. About a quarter of Sydney houses cost less than \$400,000 five years ago but the proportion has fallen to 3 per cent on CoreLogic figures.

The federal government is advancing plans for an affordable housing bond aggregator, allowing community housing providers to team up and access cheaper debt from lenders.

PowerHousing Australia's chairwoman and Hume Community Housing Association Company chief executive Nicola Lemon welcomed the program, saying it could draw super funds attracted to a steady investment with government support.

The extra funds also allow collaboration with private developers to reinvigorate older social housing estates and create a mix of private and affordable housing located together, she said.

"It's not too much of a stretch to say that if you get the settings right for affordable housing, we can actually resolve some social ills," Ms Lemon said.