

Greystar Real Estate Partners
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Sydney
New South Wales 2000

28 September 2017

Manager
Financial Services Taxation Unit
Corporate and International Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
Email: affordablehousingtax@treasury.gov.au

Cc: The Treasurer, The Minister for Revenue

Re: Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 2) Bill 2017

Dear Sir / Madam,

Greystar welcomes the opportunity to provide comments in relation to the 14 September 2017 Exposure Draft legislation, *Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 2) Bill 2017* (“**Housing Affordability Tax Measures**”). Globally, Greystar have had the opportunity to contribute to the supply of affordable housing and we support the Government’s important initiatives to encourage investment in affordable housing in Australia.

About Greystar

Greystar was established in 1993 and is a global leader in rental housing with an integrated development, investment and operating platform across businesses in the Americas, Europe and Asia Pacific. Greystar’s investments span conventional multifamily, student housing and senior housing, thereby providing a platform that can be agnostic as to the age of the tenant, and serve a wide range of local community members. Greystar established a presence in Australia in 2017 with a view to creating a rental housing platform in Australia. We are the largest developer and operator of multifamily apartments in the US and globally our rental housing platform provides homes to over 1 million residents across more than 425,000 units. Greystar operates across 32 offices, covering 160 markets and has over US\$80 billion of assets under our operation.

Greystar’s Affordable Housing Initiatives

With 24 years of experience in developing and operating rental housing communities and the insights gained through the operation of a global portfolio of significant scale, we believe that at Greystar we have unique perspectives on housing markets. We believe that rental housing can be a housing choice for all different types of people across a broad cross-section of the community and that healthy, vibrant communities bring these diverse groups together. Greystar entered the UK build-to-rent market in 2013 and we have subsequently been at the forefront of integrating affordable housing into our build-to-rent communities. We are currently developing over 770 affordable homes in London across three major projects. Our experience in working in coordination with Government authorities to develop creative solutions for the delivery of affordable housing

in the UK has enabled us to incorporate a significant proportion of affordable housing apartments into our build-to-rent developments within a short time frame. We pride ourselves on serving the communities we invest into over the long term and believe that partnership with Federal, State and Local Government is critical to deliver rental housing which meets the local community housing needs. In the UK, we have been able to apply our knowledge and experience to help guide Government plans to deliver housing, and align that with economic outcomes which match long term investment into the UK build-to-rent sector.

Affordable Housing MIT

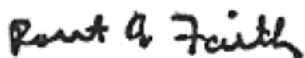
Greystar understands the importance of building affordable housing at scale to meet the needs of the communities in which we invest. As an experienced rental housing specialist, we also understand the ways in which we can provide affordable housing while satisfying the objectives of our global institutional capital partners. The ability to provide affordable housing as part of a broader build-to-rent development has enabled us to achieve returns that remain competitive as an investment choice relative to other asset classes. A critical element of our success to date in the UK has been the support of our global institutional capital partners and their belief in our knowledge, experience and capabilities in the rental housing sector. Our experience to date has been that standalone investment in affordable housing does not typically generate returns that will meet the required returns of institutional investors both internationally and domestically.

Greystar is however concerned that the proposed Exposure Draft will not assist in attracting institutional capital to fund affordable housing of scale in Australia in the way the model has been established with success in the UK. We believe that attracting both domestic and global institutional investors is instrumental in providing a depth of capital which will enable Australia to build an affordable housing platform with significant scale. These capital partners are focused on stable, durable income generation and their investment horizons are typically greater than 10 years which allows for the sector to develop alongside the ever-changing needs of the local renter base.

Greystar would welcome the opportunity to discuss our experiences in rental housing markets and affordable housing initiatives with you. We believe we have a contribution to make and can assist in the development of a detailed plan to deliver scalable affordable housing and address Australian housing affordability concerns via a long term attainable housing solution.

Should you have any queries or wish to discuss any of the above, please do not hesitate to call Chris Key on [REDACTED].

Yours faithfully,



Bob Faith
Founder, Chairman and CEO
Greystar Real Estate Partners



Chris Key
Managing Director, Australia
Greystar Real Estate Partners