

From: [Jeremy McLeod](#)
To: chris@leptos.com; [NHFICreviewsecretariat](#); [Devlin, Will](#)
Cc: [Angela Perry](#)
Subject: NHFIC Review - RE: Submission from Nightingale Housing
Date: Thursday, 7 January 2021 6:10:47 PM

To Chris Leptos & the NHFIC Secretariat,

RE: Submission from Nightingale Housing - NHFIC Review

I write on behalf of Nightingale Housing.

What we do:

- We were established to provide a pathway for first home buyers historically excluded from home ownership.
- We deliver energy efficient, medium density housing in strategic urban renewal and growth areas close to public transport and existing community infrastructure.
- We deliver housing inline with state planning policy frameworks.
- We deliver housing without profit.
- The first 20% of our buildings are sold to CHP's at a concessional rate and truly "salt and pepperd" throughout our buildings.
- The second 20% are sold via ballot to "Key Community Contributors" This ballot is means tested and includes Key Service Workers, First Nations Peoples, People with a disability and carers of people with a disability.
- The last 60% is sold via an open ballot.
- We source our equity at concessional rates from impact investors.
- We source our debt from banks at a concessional rate. (This debt, with swap rates, establishment fees and line fees cost us between 6.5% - 7% PA.)
- Our apartments are generally sold at 13% - 20% under market without any government or philanthropic subsidy.
- We sell our housing at cost, this concessional price is protected via a Caveat and Resale Deed which caps the maximum resale price inline with housing growth in that postcode.

NHFIC Funding

What we are asking:

We ask that the legislation for NHFIC be changed to include **Not For Profit's** delivering a **minimum of 20% Affordable Housing to CHP's**.

We would like to access NHFIC funding for the debt component of our projects. (Ideally at 80% LVR).

This would be for the period of construction only (18 months - 3 years depending on the size of the project).

Why would changing NHFIC funding to include Not For Profit housing providers be worthwhile:

The cost of housing that we are providing to CHP's could be greatly reduced if we were to fund our projects with NHFIC capital.

Scale & Impact. We currently have over 13,000 people on our database / wait list. We currently have over \$110,000,000 worth of apartments under construction across 9 sites.

We have been the single biggest provider of affordable housing to CHP's in the City of Moreland LGA in the past two years.

2% NHFIC funding instead of 7% bank debt would reduce the cost of the dwellings on our

Nightingale Village project by an average of \$26,000 each. (More impact than the first home buyer grant, more impact than Home Builder)

FHLDS

Our view is that FHLDS is an incredibly important policy to help first home buyers access housing.

Where can FHLDS improve:

New dwellings only

One of the key concerns of FHLDS is that it will increase demand for existing dwellings and drive up the price of housing.

One of the current problems faced with housing affordability is lack of supply.

We are asking that **FHLDS be available for new dwellings only** to stimulate additional supply and to not add demand to existing stock.

FHLDS to incentivise housing in strategic locations.

State planning policy targets regional cities and medium density housing near public transport and existing infrastructure as the ideal pathway to housing growth.

Currently, first home buyers turn to urban sprawl areas to access home ownership.

There is significant long term cost to the urban sprawl home owner though reduced health outcomes, reduced capital growth and increased private transport costs.

There is significant cost to the state and federal governments in the provision of extending infrastructure and services to urban sprawl areas. (roads, utilities, policing, public health)

We are asking that **FHLDS be targeted** to strategic locations only. IE **regional centres** and **suburbs close to existing infrastructure** and transport hubs (to incentivise the 20 minute city)

We think that the federal government could use FHLDS to help incentivise State and Territory strategic planning goals.

Thank you for your consideration.

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**Regards,
Jeremy McLeod**

**Managing Director
Nightingale Housing**



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Learning and working on Wurundjeri land.

Nightingale Housing will be closed from December 22nd and will be reopening January 13th.