

SUPPORTED HOUSING LTD

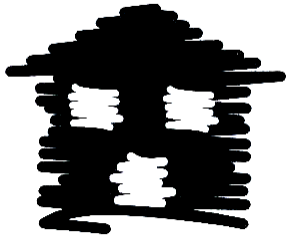
Mixed equity

**Presentation to Shelter NSW conference,
Sydney, 31 May 2007**

Joseph Connellan,

Supported Housing Ltd 3/1401 Burke Rd, Kew.Victoria 3101.

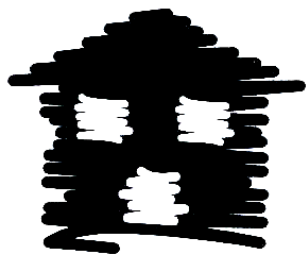
Phone: 03 98598 833 www.shl.org.au joseph.connellan@shl.org.au



The Supported Housing Ltd (SHL):

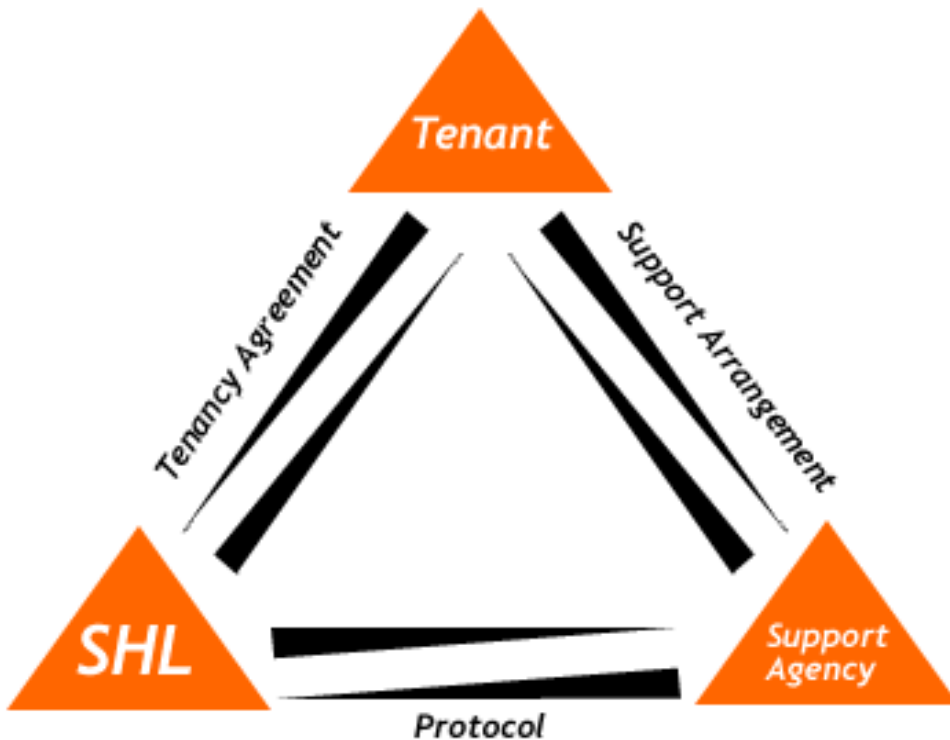
- SHL:

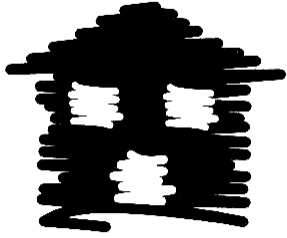
- Houses 1,000 people with a disability most of whom require support
- Diverse disabilities - physical, intellectual, psychiatric, ABI & chronic illness including HIV/AIDS
- Diverse tenures – transitional, fixed term permanent and shared owners
- Diverse setting - group houses, single and dual tenancy units - individually or on multi unit sites
- Pioneered mixed equity 17 years ago with Singletons
- Support provided by 40 diverse support partners



Partnership with Support Provider

- SHL does tenancy & property
- Does not provide support
- Trades nomination rights for support
- Has partnership with support providers
- Focus on partnerships with funders & support providers to secure outcome for person with a disability
- 40 Partner Agencies: Mental Health, Disability, State Government, Local Government and specialist agencies.
- Outsourced back of house property developer and manager





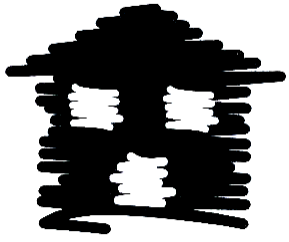
Climbing Everest

If you want to climb Mt Everest you do not buy a ladder...

.....you build a climbing machine.

Our Everest is people with a disability participating in our community.....

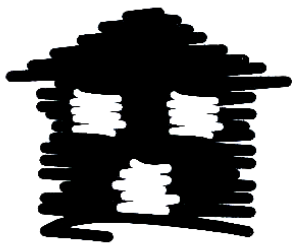
....our machine is SHL which delivers the housing that support people to participate in the community.



People with a disability

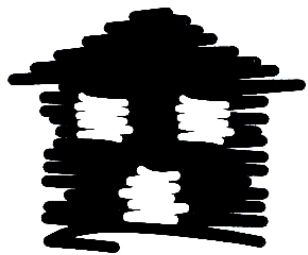


- Many people have a disability (1m+ in Vic)
- Mostly their loss of ability is permanent and often increasing
- Some require support – often informal
- A smaller number have severe and profound disabilities (170,000)
- A smaller number get CSTDA funded services (70,000)
- CSTDA includes mental health disability (5,500)
- People with a disability are likely:
 - to have a continuing need
 - to be poor
 - to be single person households.



Some Trends

- **People with a disability become more disabled as they age.**
 - Lose capacity quicker than general population
- **Aged people acquire disability as they age**
 - More acceptance of disability but more competition for disability resources
- **Aged Carers will exhaust**
 - Ageing carer policy debate will become real as carers die
- **More home time**
 - As people with a disability retire from work...slow down.
- **More home based care not residential care**
 - Growth in packages
- **Limited resource for support services requires efficiencies**
 - Support funding not as of right but rationed
- **More user pays including capital**
 - Government increasingly seeking co payments



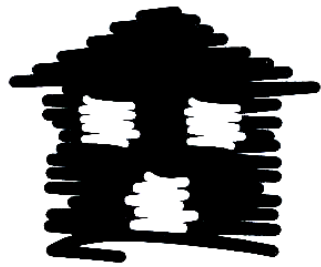
Accommodation for people with a disability

○ Well Located

- Accessible to transport & shops
- Accessible to education, employment, recreation & support networks

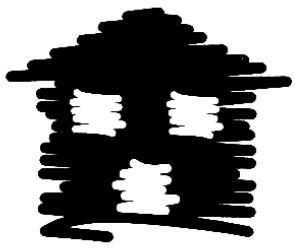
○ Well designed

- Can accommodate people with changing needs
- Built to minimise capital cost
- Built to minimise running & maintenance costs
- Is of a non institutional size & design
- Provides most efficient setting for support provision
- Encourages independence



Costs and Source of Funds

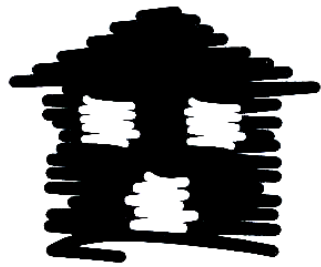
- Cost
 - Land
 - Better located is more expensive
 - May be owned already
 - Includes unused or underutilised land/buildings
 - Project Development, Design & Management
 - Construction Cost driven by Specification and Acquisition methods
- Sources
 - Whatever It Takes
 - Willy Sutton - Capital Funds Govt (housing + disability?)
 - People with a disability and family - \$s?
 - NGOs land?
 - Borrowed Funds?



3 Schemes

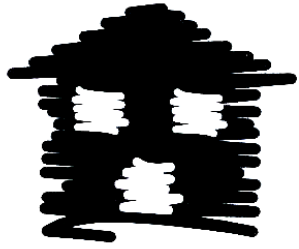
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- Presentation to describe 3 schemes:
 - Singleton Equity Housing
 - SHL Mixed Equity and
 - Eastern Suburbs Pilot
- Consider key issues
- Contrast approaches
- Have a conversation



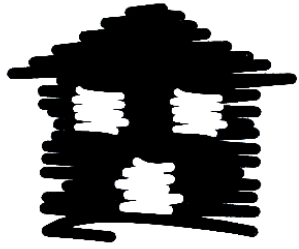
Singletons Scheme

- Commenced 1988 with State Government funds and borrowed funds
- Aimed to capture funds of people in institutions
- 50 houses accommodating 240 People ie mostly group houses
- Secured by preference share
- Interest secured at historical cost
- Required to fund commercial borrowings
- Deed of Agreement with Government covering roles and issues of ongoing maintenance
- Typical contribution \$10,000



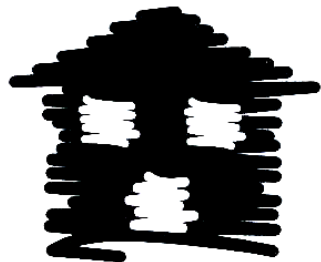
SHL Mixed Equity

- Commenced 2003
- Pilot 12 places by SHL
- Mainly one tenancy households
- Return linked to market value
- Typical contribution \$150,000
- Currently developing a 3 family development
 - Harder to do 3 families together than 3 families individually.
 - Very resource intensive
 - Need partner agencies in development process



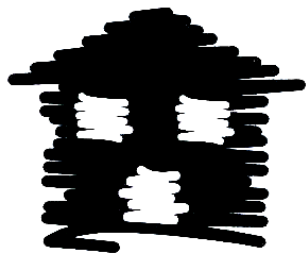
Eastern Suburbs

- Developed by NGO partner of SHL - not SHL
- Families funded construction on NGO land
- On land used for OoH funded and SHL developed group house
- Builds on shared infrastructure for development and support
- Family equity investment
 - Funded construction cost only
 - Project managed for free by SHL
 - Investment depreciates each year by 2%.
 - Based on aged care bonds.



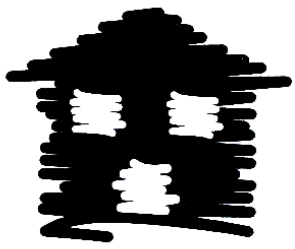
Comparison

	SEH	SHL	Eastern
Security	Preference Share and Ordinary Share	Loan agreement + mortgage	Loan agreement
Typical Amount	\$10,000	\$150,000	\$75,000
Initial Equity Proportion	30%	50%	75% (construction cost)
Return	Historical	Market	Depreciated
Shared Household	Typically shares 3 +	Not shared	2 sharing
Exit	3 months by SEH (formerly via market)	3 months by SHL	3 months by NGO



Unresolved Issues

- Government funding support
 - Initial capital and maintenance (or interest subsidy)
- Benefits
 - Deeming on Investment impacting on pensions
- Taxation
 - PBI and capital gains
- Use of financial instruments
 - Reverse Annuity Mortgages.
 - Avoid indexed mortgages
- Corporate regulation
 - NZ experience
- Resident Choice & Rights
 - RTA cover



Conclusion

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- Key Points
 - It is all possible
 - It has been done.
 - Money can solve all but little money available
 - Government funds may be available
 - There is expert assistance available
- Questions are:
 - What resources do we need to develop the housing people need?
 - What resources can we find to respond to that need in a viable and sustainable way?