

Community Housing Growth Program



FACT SHEET | OCTOBER 2021

New Social Housing Supply and Ground Lease Model

Overview of New Social Housing Supply

Housing Delivered	Delivery Partner	LGAs	Funding Investment (excluding land contribution)	Total Capital Investment	Total Economic Benefit	Building and Construction Sector Jobs	Timeline
1 000 new homes	Non-Government Organisations	24	\$120.6 M	\$236.4 M	\$685.5 M	1 700	End 2023

Ground Lease Model

A ground lease is a new way of securing public assets, delivering more social housing for Tasmanians and improving the viability of community housing.

Capital funding and vacant land held in the name of the Director of Housing have been made available through an Expression of Interest (EOI).

The EOI encouraged proponents to contribute capital funding and their own land, use rental income, and access low-interest private financing to maximise the number of houses they could deliver.

Community Housing Providers (CHPs) with approved projects on vacant land held by the Director of Housing sign a ground lease for a 40-year period.

The role of the Director of Housing

The Director of Housing maintains ownership of the land.

The Director has input into the development design and approves the lodgement of the development application to Council.

At the end of the 40-year period, the land and the dwellings return to the control of the Director.

The role of the CHP

The CHP develops the project design, construction program and milestones.

Funded projects are required to meet the Communities Tasmania's Design Policy for Social Housing and Social Housing Policy.

The CHP is responsible for delivering the funded projects and managing and maintaining social housing for the 40-year period. This includes making the properties available to people eligible for social housing from the Housing Register and complying with the requirements of the *Residential Tenancy Act 1997*.

CHPs are expected to establish stakeholder engagement strategies for medium density developments.

They are also required to maintain the social housing properties in good conditions so that they are returned at the end of the period with no outstanding maintenance.

Social housing for projects developed on the CHP's land must be retained for a 30-year period. These projects are secured by a mortgage arrangement.

New social housing locations*

LGA	No. of Dwellings
Brighton	91
Burnie	33
Central Coast	54
Circular Head	58
Clarence	51
Derwent Valley	10
Devonport	61
Dorset	5
Flinders Island	3
George Town	14
Glamorgan-Spring Bay	6
Glenorchy	81
Hobart	118

LGA	No. of Dwellings
Huon Valley	55
Kentish	2
Kingborough	38
Latrobe	7
Launceston	125
Meander Valley	25
Northern Midlands	24
Sorell	8
Waratah-Wynyard	60
West Coast	11
West Tamar	6
Backyard units location based on household need	54

Background

The initial investment of capital funding was provided from the *Rebuilding Tasmania Infrastructure Investment COVID-19 Response*.

An Expression of Interest (EOI) CHGP New Social Housing Supply was released on 12 September 2021. The EOI has been assessed in three rounds.

- Round one funded 764 new homes.
- Round two funded 104 new homes.
- Round three funded 132 new homes.

Eleven CHPs including the four Tier 1 registered community housing providers will deliver these projects, the majority of which are single or two dwelling developments.

Density*	No. of projects	Percentage of projects
Low (< 5 dwellings per site)	179	83%
Medium (≥5 - 15 dwellings per site)	21	10%
High (≥15 dwellings per site)	14	7%

Over 80 per cent of projects are low density developments with less than five social housing dwellings per site. There are several medium density projects building more than 15 units, retaining no more than 15 units for social housing and making the remaining stock available for affordable rental or homeownership.

Disclaimer

*Please note the location and density of new supply is determined based on projects in their initial stage of assessment and planning. Minor variations can be anticipated where sites are further assessed as unsuitable or unable to support proposed yield or if contracts to purchase land are unable to proceed for any reason. Every effort will be made to substitute projects within the same municipality.

Department of Communities Tasmania

To find out more visit our website at communities.tas.gov.au/housing or call our enquiry line on **1300 135 513**.

