



**Australian Government**



National Housing Finance  
and Investment Corporation

# National Housing Finance and Investment Corporation

## Social Bond Report 2019–20

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# About NHFIC

The National Housing Finance and Investment Corporation (NHFIC) is dedicated to improving housing outcomes for Australians. NHFIC commenced operations on 30 June 2018 and administers the Affordable Housing Bond Aggregator (AHBA), National Housing Infrastructure Facility (NHIF) and First Home Loan Deposit Scheme (FHLDS), and conducts research into housing demand, supply and affordability.

NHFIC provides long-term and low-cost finance and capacity building assistance to registered community housing providers (CHPs) to support the provision of more social and affordable housing. It makes loans, investments and grants to help finance the critical infrastructure needed to unlock and accelerate new housing supply.



# Message from the CEO



Nathan Dal Bon,  
Chief Executive Officer

As CEO of the National Housing Finance and Investment Corporation (NHFIC), I am pleased to present our *Social Bond Report 2019–20*. This report provides information on the use of proceeds from NHFIC’s social bond issuances and demonstrates the impact that its transformative financing is achieving in improving housing outcomes. This report forms a key disclosure requirement under NHFIC’s *Sustainability Bond Framework*.

NHFIC’s Affordable Housing Bond Aggregator (AHBA) provides low cost and longer-term loans to registered community housing providers (CHPs) to support the provision of more social and affordable housing. The cheaper finance enables CHPs to direct more funds towards creating additional housing supply and providing services to support tenants. The longer tenor provides more certainty for CHPs and reduces refinancing risks and costs. The AHBA uses a ‘pass-through’ model to provide greater funding certainty and lower finance costs to CHPs. This assists CHPs to expand their operations and the supply of affordable housing.

NHFIC uses a bond aggregator model to issue social bonds in the capital market. The proceeds of social bond issuances are used to provide loans to CHPs. This model enables NHFIC to provide concessional funding arrangements to CHPs by providing lower-cost and longer-term finance solutions compared to traditional sources of funding. The issuance of social bonds also facilitates greater private and institutional investment in the sector.

NHFIC issued two bonds in the 2019–20 financial year—in November 2019 and June 2020—which were strongly supported by investors, highlighting the growing appetite among domestic and offshore investors (including Australian superannuation funds) for socially responsible investments. The \$315 million bond issued in November supported seven CHPs across the country and was awarded ‘Social Infrastructure Deal of the Year’ in financial publication *The Asset’s* Triple A Infrastructure Awards 2020. The high degree of investor interest for this bond also resulted in NHFIC being recognised by financial publication *KangaNews* as the 2019 Australian Government-Sector Issuer of the Year.

NHFIC’s June 2020 bond was the largest social bond by an Australian issuer at \$562 million, supporting 10 CHPs—including, for the first time, a Tasmanian provider. This bond also included NHFIC’s first project finance loan of \$210 million.

NHFIC is pleased to be contributing to efforts to increase the supply of affordable housing across the country, which in turn, supports vulnerable Australians most in need.

**Nathan Dal Bon**  
Chief Executive Officer

# Social Bonds issued in 2019–20

During the period of 2019–20, NHFIC issued two new social bonds. These were in addition to NHFIC’s first bond issued in 2018-19 (Bond 1—see Appendix A for more details). This brings the total value of NHFIC’s social bonds issued to almost A\$1.2 billion since NHFIC was established.

Bond 2	
Principal amount	A\$315m
Issue date / settlement date	27 November 2019
Maturity date	27 May 2030
Issue price	100 per cent of the principal amount
Interest rate	1.52 per cent
Coupon payable	Semi-annually on 27 May and 27 November
Bond classification	Social bond
ISIN	AU3CB0268746

Bond 3	
Principal amount	A\$562m
Issue date / settlement date	29 June 2020
Maturity date	29 June 2032
Issue price	100 per cent of the principal amount
Interest rate	1.41 per cent
Coupon payable	Semi-annually on 29 June and 29 December
Bond classification	Social bond
ISIN	AU3CB0272904

NHFIC's regular bond issuances are continuing to build a new investment asset class for affordable housing in Australia. Bond 2 and Bond 3 received strong demand from Australian and offshore institutions. Bond 2 was around four times oversubscribed and was placed with 31 investors (including 11 new investors). Bond 3 was the largest social bond by an Australian issuer and was still close to three times oversubscribed and was placed with 35 investors (including seven new investors). This strong investor demand led to a continuing progression in tightened pricing for NHFIC bonds compared to Commonwealth and State government bonds. This contributed to Bond 3 achieving the lowest coupon rate for the longest tenor (12 years) for NHFIC to date.



# \$562m

NHFIC issued the largest social bond by an Australian issuer

	Tenor	Coupon rate (%)	Bond yield spread compared to equivalent NSWTC security*
NHFIC Bond 1	10 years	2.38	-2 bps
NHFIC Bond 2	10.5 years	1.52	-11 bps
NHFIC Bond 3	12 years	1.41	-20 bps

\* as at the issue date

## Unallocated proceeds

All the proceeds from NHFIC's social bonds have been allocated to CHPs that meet the eligibility criteria of NHFIC's Sustainability Bond Framework.

## Undistributed proceeds

As at 30 June 2020, there was A\$17 million of allocated proceeds from NHFIC's Bond 3 yet to be distributed. At 31 August 2020, all proceeds from NHFIC's Bond 3 had been distributed.

## Credit quality

While the COVID-19 pandemic has had a major impact on the broader economy, NHFIC's assessment is that there have been no significant increases in credit risk for CHP loans in its portfolio at this time. However, NHFIC continues to actively monitor the situation through regular engagement with CHPs and performing sensitivity testing of CHP's financial circumstances.

We are not aware of any other events or incidences that have impacted on the credit quality of the loans.

## External assurance

EY has provided pre-issuance assurance that Bond 2 and Bond 3 comply with Social Bond Principles.

EY has also conducted post-issuance assurance for Bond 1 and Bond 2 (see Appendix B).

EY will conduct post-issuance for Bond 3 by the end of 2021.

## NHFIC Investment Mandate

NHFIC is governed by the NHFIC legislation and Investment Mandate, which outlines the objective and eligibility criteria for the AHBA. The objective is for NHFIC to provide lower cost and longer tenor loans for CHPs compared to alternative sources of finance. NHFIC can achieve this by issuing Commonwealth Government guaranteed social bonds in the commercial market at a larger scale and different terms than could be achieved by individual CHPs. The savings are passed on through cheaper NHFIC loans to CHPs enabling them to improve housing outcomes for their clients. AHBA loans can only be provided to registered CHPs that are regulated under a State or Territory law or scheme.

## Eligibility Criteria

Under NHFIC's Sustainability Bond Framework, all AHBA loans to registered CHPs funding new or existing housing stock and assisting with their working capital qualify as eligible assets. The eligibility criteria have been developed with reference to the principles and categories identified under the Social Bond Principles of the International Capital Markets Association (ICMA) as well as the UN Sustainable Development Goals.

### SOCIAL BONDS PRINCIPLES CATEGORY:

#### Affordable housing

#### UN SUSTAINABLE DEVELOPMENT GOALS





**SGCH—Gibbons Street, Redfern NSW**

Gibbons Street is an 18-storey building that will deliver new sustainable and affordable homes in the heart of Redfern, NSW.



# Social Impact Metrics

**As outlined in NHFIC’s Social Bond Report 2018–19, NHFIC contracted the services of the Australian Housing and Urban Research Institute (AHURI) to assist in developing relevant metrics for assessing the impact of the funds allocated from NHFIC’s social bonds.**

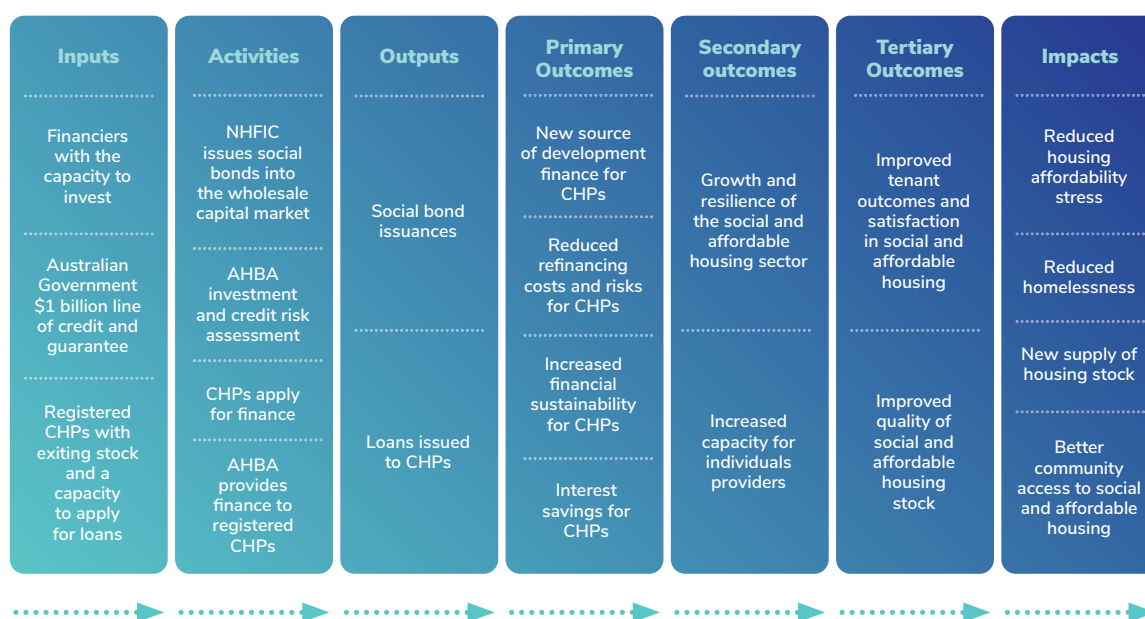
AHURI noted that social bonds are still relatively new financial instruments—bond instruments whose proceeds are exclusively applied to finance a project that delivers social outcomes. This can include projects ensuring access to essential services, affordable housing or micro-finance. Social bonds can also be used to support target populations including people with disabilities, unemployed, women, ageing populations and vulnerable youth.<sup>1</sup>

AHURI developed a general framework for considering the potential impact of NHFIC’s social bonds (see Figure 1). The framework needs to be considered in the context of a number of broader economic and housing market conditions affecting the construction sector, financial sector, interest rates, land values, public housing policy and tax settings.

The framework presented in Figure 1 represents the inputs, activities, outputs, outcomes and intended impacts of the AHBA loans. Inputs for the NHFIC’s AHBA include financiers with the capacity to invest, the Australian government’s \$1 billion line of credit and loan guarantee and registered CHPs who have existing housing stock and the capacity to apply for loans. Activities include NHFIC issuing social bonds into the wholesale capital market, AHBA investment and credit risk assessment, CHPs applying for finance and the ABHA providing finance to successful applicants. The outputs are the issuance of social bonds and the issuance of loans to CHPs.

<sup>1</sup> Social bonds are distinct from social impact bonds (SIBs). SIBs typically involve private investors providing the initial capital to fund highly targeted innovative policy intervention to an agreed cohort, with payment linked to specific outcomes (effectively payment for results contracts). By contrast, social bonds are more flexible instruments with metrics based on more broader understandings with payment of interest and repayment of capital not contingent on any particular measure or outcome being achieved. AHURI has noted from an investor perspective, social bonds are increasingly seen as superior to SIBs as an innovative financing instrument, in part due to their greater flexibility.

Figure 1: AHURI framework for assessing NHFIC's social bonds



Outcomes have been structured to take into account the degree to which they are directly attributable to NHFIC and AHBA activities. Primary outcomes are almost entirely attributable to AHBA activities and secondary outcomes are in part attributable to AHBA activities. Tertiary outcomes, such as improved tenant satisfaction with social and affordable housing, need to be understood as 'arm's length' outcomes, as they are largely due to the activities of CHPs rather than arising directly from NHFIC financing—although the assumption underpinning tertiary outcomes is that NHFIC financing will enable CHPs to deliver better housing and tenant outcomes.


AHURI has noted the problem of attribution is not unique to measuring outcomes from the AHBA, rather it is a central problem of impact evaluation—ie, that broader population level changes reflect a variety of influences. As a result, impact assessment should focus first and foremost on outcomes that organisations can reasonably be expected to change.

For this Social Bond Report, NHFIC has focused on the Primary Outcomes resulting from the use of its social bond proceeds. That is, the impacts that can be most directly attributable to NHFIC providing finance to CHPs. This reflects both the fact that NHFIC bonds have been issued over a relatively short period (two years) and that the international social bond market reporting framework is continuing to develop.


To assist the evaluation against the metrics contained in the Primary Outcomes, NHFIC engaged Paxon Group to undertake modelling of the interest and other cost savings to CHPs that have accessed NHFIC bond finance.

The CHPs that have been funded by NHFIC social bond issuances have also been requested to provide updates every six months on how the NHFIC funds are spent and what outcomes are being achieved.

# Achievements against Primary Outcomes

**\$1.19b**   
**CHP loans**  
 Funded by NHFIC social bonds (A\$)

  
**1291+** new  
**5436+** existing  
 Dwellings supported by NHFIC social bonds

**10 to 12 year fixed rate low interest NHFIC loans**   
 Versus 3-4 year tenor commercial loans<sup>2</sup>  
 Increased financial sustainability for CHPs

**UP TO \$202m**   
 in anticipated interest savings over 10–12 year period<sup>3</sup>

**\$1.7m**   
 in reduced fees<sup>4</sup>

**Up to 850** additional community homes   
 Potentially supported by CHP savings

**Longer tenor**  
 +  
**Low fixed interest**  
 =  
 Increased financial sustainability for CHPs

<sup>2</sup> Commercial lenders typically offer CHPs loans with a tenor of 3–5 years.  
<sup>3</sup> This represents the savings to CHPs which are realised over the full term of a NHFIC loan, when compared to the CHP potentially entering a facility of comparable tenor with a commercial bank. This figure relates to savings across all three bonds and is based on analysis by Paxon Group.  
<sup>4</sup> The fee for issuing finance through a NHFIC facility is typically lower than a commercial bank, which represents a further saving to CHPs.



Haven; Home, Safe's project Wattlewood in Carrum Downs, Victoria, offers 81 two-bedroom villa units and 19 three-bedroom affordable rental properties among 85 single-storey and 15 two-storey dwellings.

# AHBA borrower profiles

CHPs are an important part of the Australian housing system, providing accommodation services for people in social and affordable housing. Social housing is for people on low incomes (around 25 per cent of income is spent on rent), while affordable rental housing is for people on low to middle incomes (around 75 per cent of market rent).

This section includes a summary of the information provided by each of the community housing providers involved in Bond 2 and Bond 3.








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Bridge Housing, NSW	32
Common Equity Housing Limited, Victoria	33
Housing Choices Tasmania, Tasmania	34
Junction, SA	36
Mission Australia, NSW	38
Pacific Link Housing, NSW	40
SGCH, NSW	44
Women's Housing Limited, Victoria	46

# Bond 2: CHP borrower profiles

## AnglicareSA Housing Ltd



### LOAN: \$32 MILLION

	<b>Loan purpose</b>	Demolition of 14 x 1-bedroom units with communal facilities and car parking and construction of 16 x 2-bed units for social housing residents aged over 55 years. Land acquisition at The Square Woodville West to build 36 new dwellings. Land acquisition at Thebarton for potential development of a mix use hub including multi-storey affordable and social housing for key workers. Home acquisition to provide shared accommodation for disability social housing clients. \$5,330,000 from working capital owing for Bowden Rent to Buy Affordable Housing and Mansfield Park land purchase will be paid back to ASA from ASA Housing.
	<b>Geographic concentration</b>	Adelaide metro.
	<b>Target cohorts</b>	Over 55's, people with disabilities, people experiencing or at risk of homelessness, indigenous people, victims of domestic and family violence and vulnerable youth. Percentage for each cohort will be tailored by the final design and home location suitability.
	<b>Tenant mix</b>	70% social and 30% affordable.
	<b>Possible outcomes from interest savings</b>	Funding has enabled de-risking the cost of finance over the initial 10 year life of the project assets, providing the confidence to proceed with our development pipeline. Renewal will reduce ongoing maintenance costs and enable us to house more vulnerable people. New housing will provide opportunities to increase support services and empower people to increase their independence.
	<b>Wrap-around services</b>	Housing Services team has developed an extensive network of partners, referral relationships and alliances with a range of Support Providers and referring agencies including, but not limited to, AnglicareSA's Aboriginal and Disability Mental Health programs, financial counselling services and a number of other wrap-around services delivered by AnglicareSA and other partners.

The NHFIC bond aggregator funding is a welcome initiative that not only provides Anglicare SA Housing with the ability to secure funding but to reduce risk and bring forward projects creating an increase in much needed social and affordable housing supply sooner.

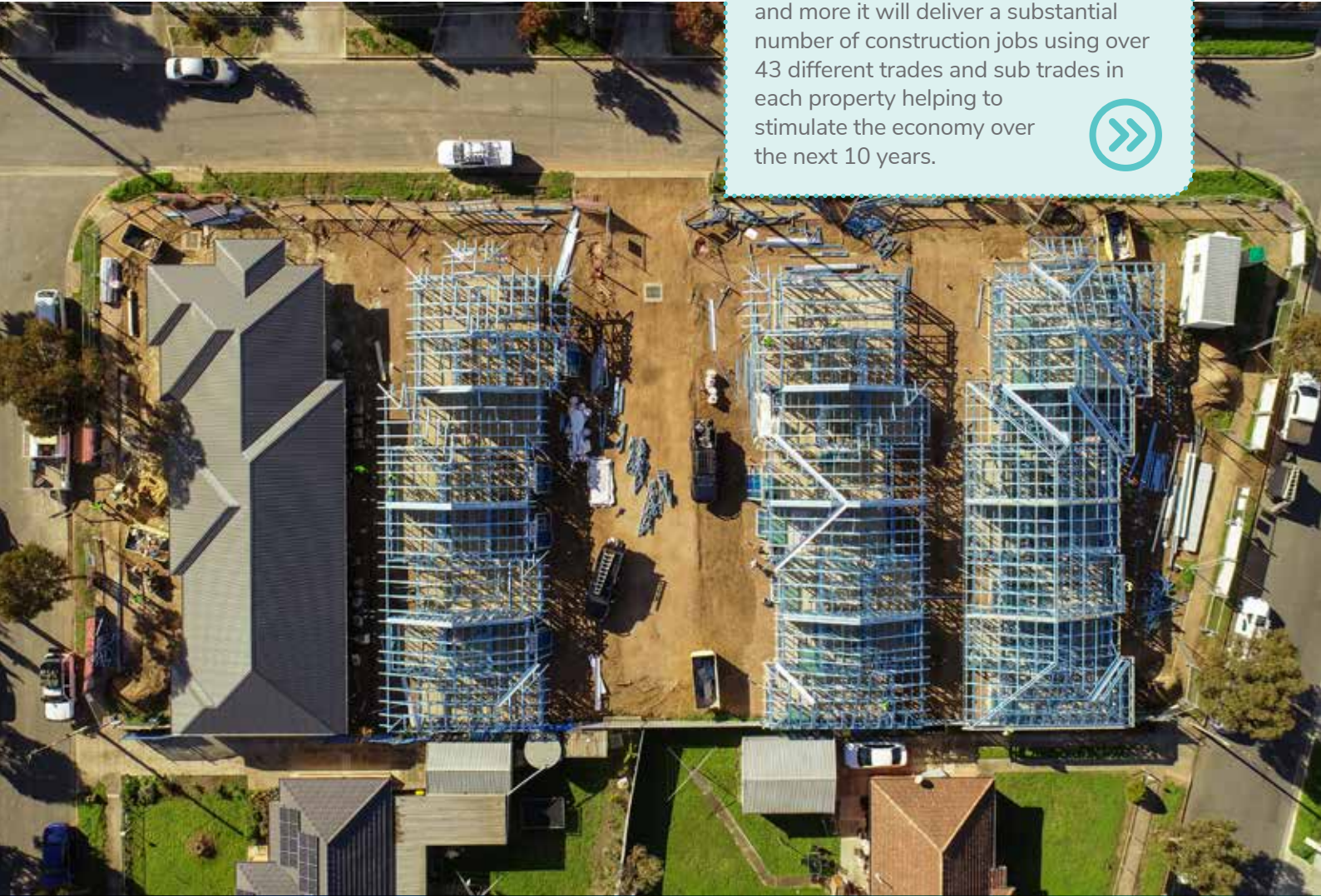


Peter Sandeman, AnglicareSA Housing Ltd CEO



### LOOKING FORWARD

The guaranteed low interest rate provides clarity of cost enabling us to forecast budget for additional specialised wraparound services. With the building of approximately 150 properties and more it will deliver a substantial number of construction jobs using over 43 different trades and sub trades in each property helping to stimulate the economy over the next 10 years.



#### AnglicareSA Housing Ltd: Mansfield Park, SA

This project involved the demolition of 14 one-bedroom units with communal facilities and car parking and the construction of 16 two-bedroom units for social housing residents aged over 55 years.

## ► Nazri

I came for more safety—for a better opportunity.



**In 2017, Nazri arrived in Adelaide as a refugee. Civil conflict in Myanmar (Burma) forced him to flee his homeland to Malaysia, and after 15 years, he arrived in Australia as a refugee.**

On arrival in South Australia, AnglicareSA's humanitarian settlement services supported Nazri with immediate accommodation and furniture. He was eventually provided a long-term AnglicareSA community housing property in Adelaide's west.

"The first day I arrived [in Australia], I was focused on rebuilding my life," he said. "But I had the long-term aim to one day buy [a home] because I see owning a home as happiness."

Nazri secured employment at a biscuit factory, where he worked tirelessly to save and secure a strong future for his family. With support from AnglicareSA to better understand the home ownership market in Australia, Nazri was proud to purchase his first home in north Adelaide in March 2020.







"I haven't rested since I've come to Australia," he said. "I've worked very hard for the last three years to get a house."

Now that his desire for home ownership has been realised, he now dreams of one day opening his own Burmese and Malaysian inspired eatery in Adelaide.

# Bridge Housing



## LOAN: \$51 MILLION

	<b>Loan purpose</b>	\$40 million to refinance previous corporate debt facility which funded developments at Bungarribee, Parramatta and Ashfield delivering 78 additional social and affordable housing dwellings as well as provide funding for the acquisition of a development site at Dulwich Hill. A further \$11 million was used to acquire three complexes at Marrickville (10 units), Ashfield (12 units) and Punchbowl (eight units) providing an additional 30 social housing dwellings.
	<b>Geographic concentration</b>	Sydney (inner west and western suburbs locations).
	<b>Target cohorts</b>	Tenants located in social housing under our Community Housing Leasing Program and on the Social Housing waiting list as high priorities. Affordable Housing is targeted to key workers.
	<b>Tenant mix</b>	80% social housing / 20% affordable housing.
	<b>Possible outcomes from interest savings</b>	The major outcome is the delivery of additional housing through the increased tenor and lower cost of debt.
	<b>Wrap-around services</b>	Bridge Housing uses support partners to provide wrap around services.

In the two years since its inception NHFIC is a critical element in the social housing system through provision of low-cost finance over long terms than available in the commercial banking sector. It has reduced the refinance risks and enabled longer-term Treasury management. This means that we have additional money available to procuring and build new social and affordable housing supply.



*John Nicolades, Bridge Housing CEO*

### LOOKING FORWARD






The major initiative for Bridge Housing at the moment is utilising the NSW Community Housing Leasing Program subsidy stream and NHFIC funding to acquire long term secure and stable accommodation for social housing tenants that currently live in properties leased in the private rental market.



# Churches of Christ Housing Services Limited



## LOAN: \$4.86 MILLION

	<b>Loan purpose</b>	Refinancing of existing corporate debt secured through the parent entity originally used to construct a 50-unit build-to-rent affordable housing development with an attached community centre.
	<b>Geographic concentration</b>	Kallangur, Queensland.
	<b>Target cohorts</b>	Affordable housing option for individuals and families living or working in the Moreton Bay region.
	<b>Tenant mix</b>	100% affordable.
	<b>Wrap-around services</b>	Community engagement and tenant participation activities and access to chaplains.

The Kallangur development is one of the first build-to-rent affordable housing products available, delivered without government capital assistance. The introduction of NHFIC has provided scope to consider expanding in future projects. This low-cost finance option has provided greater financial certainty for CCHSL, resulting broader opportunity for new products and services.



*Alicia Follent, General Manager, Churches of Christ Housing Services Limited*

## ► Robyn and Graham

We are so grateful to have a roof over our heads.



**Robyn and Graham have been residents at the Kurrajong Townhouses in Kallangur since early 2018 and they feel very settled. Prior to this, their living conditions couldn't have been more different.**

Life for Robyn and Graham in their poorly maintained private rental in Brisbane's northside was expensive and they struggled to make ends meet. Seventy-four-year-old Graham suffers from emphysema and the early stages of Parkinson's. Trying to work to supplement their income was almost impossible.

Things came to a head just before Christmas 2017 when tragically they lost their youngest son to bowel cancer and the owner of their property decided it was time to sell.

'It was a difficult time for us', said Graham looking back. 'We were desperate to find a new home. I drove all over the north side looking at rentals and putting in applications to try to get us a new place. With the passing of our son and the stress of having to find a new place to live we also fell behind in our rent. We were fortunate to receive some support from the

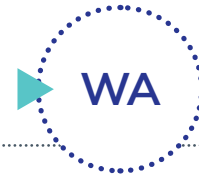
Department of Housing and Public Works who helped us get back on top of our rental arrears.

It was my lucky day when I came across the Churches of Christ Campus at Moonah Park in Mitchelton. The staff there gave us the number for Housing Services. The rest, as they say, is history. We were soon approved for these new properties in Kallangur and we couldn't be happier. We have a beautiful townhouse and it's much more affordable', said Graham.

The couple, who have been together for 53 years, share four children together. Despite the many challenges they have faced in recent times, they have remained positive and resilient and still manage to maintain their sense of humour.

'We are coming up to our two-year anniversary in our townhouse,' said Robyn. 'and we are so grateful to have a roof over our heads. We love it.'

# Foundation Housing



## LOAN: \$35 MILLION

	<b>Loan purpose</b>	Refinance of debt facility with NAB, originally sourced for the acquisition and development of properties.
	<b>Geographic concentration</b>	Western Australia: primarily inner city / Perth metro areas, with remaining units of accommodation located within regional areas.
	<b>Target cohorts</b>	Tenants requiring social and affordable housing. Prospective tenants are predominantly matched from the WA Housing joint waitlist to the available units of accommodation based on property and tenant criteria.
	<b>Tenant mix</b>	79% social housing, 21% affordable housing.
	<b>Possible outcomes from interest savings</b>	Opportunity for growth to provide social and affordable housing to people in need, and improved tenant outcomes.
	<b>Wrap-around services</b>	Our Tenancy Support teams provide engagement and connection for tenants to a range of services including advocacy, medical/health services, government agencies, shelters, youth services, community associations, support programs, indigenous support agencies, employment services and rehabilitation services.

### LOOKING FORWARD

The additional savings in interest during the 10-year period will provide much needed support for new growth within the organisation, and ultimately providing housing for those in need.



## ► Khoushaba and Juliet

You can't grow anything in sand. You need good soil and a sound foundation.



**Relocating from Syria in 2016 and moving house twice since arriving in Perth has been an enormous upheaval for Khoushaba Shlimon and Juliet Namo. Foundation Housing stepped in and were able to secure the couple and their family a property in their desired suburb of Ridgewood, WA, since their two daughters were already settled in the local primary school.**

With Khoushaba's farming background, he found employment in the gardening industry—skills that have come in handy for the transformation of their garden.

With limited funds, they not only created a pretty garden full of jasmine and gardenias, but also a productive garden of herbs, lemons, table grapes, figs, mini green apples and aloe vera. Labob, the latest furry addition to the family, certainly enjoys his new home too.

When asked Khoushaba for the secret to his gardening success he said, "You can't grow anything in sand. You need good soil and a sound foundation."

Wise words, especially when building a new life.

# Haven; Home, Safe



## LOAN: \$65 MILLION

	<b>Loan purpose</b>	Core refinance of \$54.39 million refinance of existing facilities with the Bendigo Bank. Part debt funding of \$5.71 million to enable completion of current housing development projects, including the construction and redevelopment of 99 dwellings in metropolitan and regional Victoria at an estimated cost of \$31.6 million. General corporate working capital of \$4.9 million towards (directly and indirectly) improve housing outcomes for low-income Victorians.
	<b>Geographic concentration</b>	The properties are in various geographic locations, from the Mornington Peninsula and south-eastern suburbs of Melbourne through to Mildura on the Murray River and everywhere in between, including the regional cities of Bendigo, Geelong and Ballarat.
	<b>Target cohorts</b>	People on low to moderate incomes, people with disabilities, those escaping family violence, Aboriginal and Torres Strait Islander people, young adults and people over 55. As participants of the shared Victorian Housing Register (VHR), Haven; Home, Safe (HHS) allocates an agreed percentage of people categorised as 'priority access' or in greatest need to available property vacancies. This cohort is defined by their immediate and urgent housing circumstances, not income.
	<b>Tenant mix</b>	30% social / 70% affordable.
	<b>Possible outcomes from interest savings</b>	The considerable interest and refinancing cost savings of the NHFIC loan will be applied to support the future provision and growth in new housing options for people in need.
	<b>Wrap-around services</b>	HHS provides an integrated service model that offers the full spectrum of housing options and supports to address people's individual housing needs. HHS pioneered their Shared Futures program providing housing and support for a period of up to two years for vulnerable young people. The program provides a social return on investment (SROI) of \$12 for every \$1 invested. The success of the program is scalable with remarkable outcomes working on prevention, intervention, and supporting participants to engage in education and training thereby providing wrap-around services that contribute to breaking the cycle of homelessness and changing the trajectories of vulnerable and disadvantaged people.

**The NHFIC loan provides long-term certainty and cost savings which are critical to building the organisation's capacity to accelerate and increase the supply of social and affordable housing. [Our] Board of Directors is extremely pleased that the NHFIC financing arrangement will improve the availability of sustainable and affordable housing for vulnerable Victorians, including people on low incomes, those living with disability, experiencing homelessness, or at risk of homelessness.** ”

*Ken Marchingo, Haven; Home, Safe CEO*



## ► Peggy



It's my home.  
It's my castle.  
I absolutely love it!

**Tenant Peggy Tucker turned 100 on 16 July 2020 and now lives rent-free in her two-bedroom home in Carrum Downs.**

Peggy's villa unit is one of more than 100 social and affordable housing properties salt and peppered throughout the 17.45ha Wattlewood estate, just 30km south-east of Melbourne on the Mornington Peninsula.

Wattlewood is the largest scale example of a mixed private and social and affordable rental housing development in Australia.

Peggy, who was born near Swansea in Wales and moved to Cheshire England at age one.

During World War 2, Peggy was a nurse with the Red Cross, and it was here she met her future husband Stan, who was working with the St John Ambulance service. They lived in Crewe, until migrating to Australia when she was 61.

A decade later, she and her husband Stan (dec) moved to the Carrum Downs site.







Although her husband did not live to see the development take place, Peggy is grateful for the opportunity to spend the past three years in her modern home surrounded by friendly neighbours.

"It's my home. It's my castle. I absolutely love it!"

# Housing Choices Australia Limited



## LOAN: \$55 MILLION

	<b>Loan purpose</b>	Refinance of core debt of \$37 million and \$18 million for the construction of 76 dwellings in the Melbourne region.
	<b>Geographic concentration</b>	Boronia, Newport, Box Hill South, Wantirna, Dandenong, Brunswick West, St Albans, Williamstown North.
	<b>Target cohorts</b>	People with a disability, older persons, women escaping family violence, households on low to moderate incomes.
	<b>Tenant mix</b>	100% social housing.
	<b>Possible outcomes from interest savings</b>	The outcomes derived from savings are largely focused on the capacity to deliver more social housing into a very undersupplied market.
	<b>Wrap-around services</b>	Some tenants come with support links, for example NDIS.

## ► Carly

I feel more connected to a community and I haven't really had that before.

**Before Carly moved into her home in Newport, she had been rejected by hundreds of property inspections and applications. All her belongings were in storage and she was sleeping on a friend's couch while her son Huxley had to stay with his dad.**

"When looking for properties, I didn't even consider Newport because the median house price here is crazy. It wasn't an area I considered feasible for me to look at," she explained.

It's now been three years since Carly and Huxley moved into their Newport home. Carly was the first resident to move into the newly built property, and she still remembers the smell of fresh paint when her Housing Officer, Angelica brought Carly there for the first time.

"When I walked through the door, I cried. Hands to my mouth and I cried. It's still quite an emotional moment when I look back at it," she said. "The first night I moved in my neighbours next door invited me to dinner. We take each other's bins out, stop and say hello and ask how the kids are going. It's just really lovely," says Carly.

Carly loves the additional support available, and that makes Housing Choices different to the private rental market.





"There's that sense of stability and structure... it goes back to community connection and knowing there are people in place that will support you."



# HousingFirst and Port Phillip Housing Trust (PPHT)



## LOAN: \$72 MILLION

	<b>Loan purpose</b>	Refinance existing debt and build 167 brand new homes across Melbourne and refurbish two buildings in St Kilda.
	<b>Geographic concentration</b>	Metro Melbourne: Preston, Box Hill, Rowville and St Kilda.
	<b>Target cohorts</b>	Individuals and families on the Victorian Housing Register: primarily older people, those living with a disability, and those escaping family violence.
	<b>Tenant mix</b>	100% from Victorian Housing Register, with a minimum of 75% from the priority list: primarily older people, those living with a disability, and those escaping family violence.
	<b>Possible outcomes from interest savings</b>	The savings will enable HousingFirst to participate in growth opportunities to provide further social and affordable housing, and to build on our internal infrastructure to prepare for this growth.
	<b>Wrap-around services</b>	HousingFirst partners with other not-for-profit organisations to provide wrap around services.

**By allowing us to borrow funds at an affordable rate, and significantly reduce our interest payments, the NHFIC loan will allow our organisation to direct our financial resources to where it is needed most—increasing safe and affordable housing supply for people dealing with housing stress in Victoria.**



*Haleh Homaei, HousingFirst CEO*

## ▶ Deepali

### I needed space and time to heal.

**When Deepali arrived in Australia, her then husband forced her to abandon her dreams of a career in IT.**

“Not only was I unable to focus on my career, but in 2017, there was a serious incident and I decided it was time to walk out,” Deepali said. Months of couch surfing with various friends followed, but when her husband discovered where she was staying, Deepali and her son were forced to move on.



They found a temporary roof over their head in crisis accommodation, before being housed in a small studio apartment in St Kilda. While thankful for the temporary solution, it was still a difficult time for mother and son.

“I could see my son was agitated and angry,” Deepali said. “He’d had so many changes in his life and so many different places to stay. But nowhere to play and grow.” Deepali herself was facing a significant health challenge, with a diagnosis of spinal tuberculosis: “I needed space and time to heal too.”






Today, Deepali and her son are housed in a comfortable two-bedroom unit with HousingFirst, she has secured work more suited to her education and the two are rebuilding their lives one step at a time. “I have had so much support from so many people—a place to live, English classes and certification training. They’ve all helped with my dream to provide a good life for my son.”

# Bond 3: CHP borrower profiles

## Argyle Housing



### LOAN: \$12 MILLION

	<b>Loan purpose</b>	Refinance existing loan to lower interest rate with net amount to support affordable housing development and acquisitions in regional NSW.
	<b>Geographic concentration</b>	Regional NSW.
	<b>Target cohorts</b>	Individuals and families with a need for affordable housing.
	<b>Tenant mix</b>	100% affordable.
	<b>Possible outcomes from interest savings</b>	Enables participation in regional developments in NSW with an ability to bring forward affordable housing developments.









**Argyle Housing, Griffith, NSW**

\$3 million of Argyle Housing's \$12 million NHFIC loan will be used to build 20 new houses in Griffith, NSW.

# BaptistCare



## LOAN: \$144 MILLION

	<b>Loan purpose</b>	To refinance a CBA Loan Facility originally entered into as part of Social and Affordable Housing Fund (SAHF) 1 to construct 500 social and affordable dwellings across sites in NSW.
	<b>Geographic concentration</b>	NSW: Sydney, Newcastle, Central Coast, Goulburn, Northern Rivers, Blue Mountains.
	<b>Target cohorts</b>	Older people at risk of homelessness because of the high cost and insecurity of private rental. Single parent families (women who have experienced domestic and family violence).
	<b>Tenant mix</b>	70% social, 30% affordable.
	<b>Possible outcomes from interest savings</b>	Possible savings outcomes provide encouragement to invest in additional social and affordable housing.
	<b>Wrap-around services</b>	Each site employs a Tailored Support Coordinator (TSC) who understands the health and welfare of all tenants. The TSC connects tenants with support services as needed, to increase wellbeing and independence. Where relevant, the TSC supports tenants with a view to assist them in moving from social to affordable housing into the private market, through assistance with training and employment opportunities. BaptistCare operates in-home care services, no interest loans, counselling and family services and chaplaincy support which are available to tenants when needed.

**This loan enables BaptistCare to build 500 units in strategic locations, to help meet the significant need for housing for seniors and single parent families in small and friendly communities. Tenants will have access to a suite of support services, such as home care, no-interest loans and chaplaincy. We're about more than just housing; we want to ensure access to affordable and secure tenancies for our vulnerable aging population, in a caring and safe community.**

*Charles Moore, BaptistCare CEO*

### LOOKING FORWARD

BaptistCare's current goal is to increase its Social and Affordable Housing portfolio from the current 470 to 1,500 dwellings by 2025.





## ► Lorna

It's beautiful here. I'm very grateful.



Lorna's beautiful home in Five Dock, NSW

**Lorna was 75 when she found herself looking for a home to rent with no savings and only a pension.**

"I never really thought I'd be homeless. I'm a survivor, I always knew I had the confidence to sort it out. I had a bit of time to find what I needed."

Through a recommendation from a real estate agent who heard her story, Lorna made her way to BaptistCare's Kitty Doyle housing complex where she was offered a unit to live in. BaptistCare also helped with the provision of furniture, including a bed.







Fast forward to today, and at 86, Lorna has moved into to a brand new apartment in Five Dock, NSW, after her building was redeveloped as part of BaptistCare's Social and Affordable Housing Fund (SAHF) 1 activity.

"I'm being looked after by a group of people who are so kind, good and prepared to listen. I can't speak highly enough of BaptistCare," she said. "All of my childhood I was brought up in a village environment, you knew everyone from two blocks around and you borrowed and shared. That environment is so important to feel that you belong, and I have had that totally with BaptistCare and the tenants who live here too."

# Bridge Housing









## LOAN: \$25 MILLION

	<b>Loan purpose</b>	Funding of an acquisition program to acquire approximately 45 additional social housing dwellings.
	<b>Geographic concentration</b>	Sydney (inner west and western suburbs).
	<b>Target cohorts</b>	Tenants located in social housing under our Community Housing Leasing Program and on the Social Housing waiting list as high priorities. Affordable Housing is targeted to key workers.
	<b>Tenant mix</b>	80% social housing / 20% affordable housing.
	<b>Possible outcomes from interest savings</b>	The major outcome is the delivery of additional housing through the increased tenor and lower cost of debt.
	<b>Wrap-around services</b>	Bridge Housing uses support partners to provide wrap around services.

# Common Equity Housing Limited



## LOAN: \$50 MILLION

	<b>Loan purpose</b>	\$37 million for core debt refinance. \$3 million to fund break costs of terminating interest rate swaps and \$10 million to fund the purchase of 23 new properties at Braybrook and Alphington.
	<b>Geographic concentration</b>	Metro and regional Victoria: Braybrook and Alphington.
	<b>Target cohorts</b>	Eligible households will come from the Victorian Housing Register and are likely to cover a broad range of low income and key worker households that require access to safe and secure affordable housing.
	<b>Tenant mix</b>	All households will be allocated off the Victorian Housing Register.
	<b>Possible outcomes from interest savings</b>	Savings outcomes allow more funds for maintenance on existing properties in CEHL's property portfolio to be undertaken.
	<b>Wrap-around services</b>	CEHL uses a referral arrangement when additional support is required.



**The NHFIC bond has meant that CEHL will not only save interest costs over the longer term but reduce our refinance and loan repricing risk as we are not having to refinance our loan facilities every few years. This provides us with the certainty of long-term access to finance. Members of the CEHL housing program have told us that affordable housing gives them the stability and security needed to live life, be part of, and contribute to, their community.**







*Stephen Nash, CEHL Managing Director*

\$10 million of CEHL's NHFIC loan was used to fund the purchase of 23 new properties at Braybrook and Alphington (pictured) in Victoria.

# Housing Choices Tasmania



## LOAN: \$17 MILLION

	<b>Loan purpose</b>	Refinance of \$7.1m of core debt that was used to fund the construction of 60 properties and \$9.9m for the construction of 170 low-density houses in the North West region and Hobart, Tasmania.
	<b>Geographic concentration</b>	Devonport, East Devonport, Hillcrest, Latrobe, Shorewell Park, Somerset, West Ulverstone, Granton, Rosetta.
	<b>Target cohorts</b>	The property portfolio is designed to meet the needs of a range of vulnerable cohorts across Tasmania. In particular older women over 55, women escaping family violence, people living with disabilities and/or mobility issues and those who are homeless or at risk of homelessness.
	<b>Tenant mix</b>	100% social housing.
	<b>Possible outcomes from interest savings</b>	The outcomes derived from savings are largely focused on the capacity to deliver more social housing into a very undersupplied market. Capacity to fund significant unfunded maintenance backlogs arising from the handover of poor-quality properties from the state jurisdiction is also key to improved asset/portfolio management and resident satisfaction. Additional flow on benefits include an increased capacity to fund community development and engagement activities for our residents.
	<b>Wrap-around services</b>	We partner with a range of stakeholder organisations in delivering services that assist us to support our residents to sustain their tenancies. These include health and well-being programs, budgeting and life skills programs and activities to build resilience and reduce social isolation. Other targeted place- based initiatives are also delivered as part of our overarching service delivery model.

Having access to a NHFIC loan has meant that HCT is able to build 230 additional social housing dwellings for those Tasmanians who are locked out of home ownership or the private rental market. It will mean that two hundred and thirty Tasmanian families and workers will be able to access stable long-term affordable housing and overcome the challenges of homelessness, couch surfing, ill health and unsuitable accommodation.



*Michael Lennon, Managing Director, Housing Choices Tasmania*

## ► Sharon, Dennis and Danielle



**In August 2019, Sharon, her partner Dennis, and her 25-year-old daughter Danielle, moved to Tasmania after living in NSW for some time. The 45-degree heat and dust in NSW had been difficult on Dennis' health and the move to Tasmania meant they could be closer to Sharon's family.**

Soon after the move, Danielle became unwell and was hospitalised with pneumonia and a blood clot. The family's first seven months in Tasmania were spent living in caravan park, and as Danielle lives with a disability, the bunk beds and steps in the cabin presented numerous challenges for the family's needs.

When they were allocated a new home by Housing Choices Tasmania in March 2020, the family were thrilled. They have now moved into one of Housing Choices Tasmania's new builds on Fairlie Street, Latrobe and the property is fully equipped to support Sharon, Dennis and Danielle's needs. Both Dennis and Danielle's health is now much better and Sharon is looking forward to setting up and decorating their home.







The current situation with COVID-19 has made it difficult for Sharon to buy some things for their new place, but she understands the need for everyone to stay home and stay safe. Although the pandemic has created some challenges, the family are enjoying settling in and getting to know their new area and community.

Sharon and Danielle are also enjoying walking at Bells Parade in Latrobe and feeding the ducks, who Sharon believes are enjoying the extra attention.

# Junction



## LOAN: \$26.14 MILLION

	<b>Loan purpose</b>	\$8 million to refinance existing core debt which was originally used to construct over 140 new affordable homes. New construction of over 340 low and medium density affordable and social housing dwellings in Adelaide's inner south and Fleurieu Peninsula.
	<b>Geographic concentration</b>	Mitchell Park, Morphettville, Plympton, Goolwa, Strathalbyn.
	<b>Target cohorts</b>	60% of tenants are over 50 years old with 70% being female-led households. Junction is increasingly targeting vulnerable youth through various programs.
	<b>Tenant mix</b>	90% social, 10% affordable.
	<b>Possible outcomes from interest savings</b>	Increase to working capital for short-term periods which will increase our capacity to deliver more outcomes, either in the form of housing, or client support, or new business programs and initiatives.
	<b>Wrap-around services</b>	Junction manages a range of programs and initiatives to support South Australians to not only survive but thrive.



A socially-distanced 'topping out' ceremony at the \$14 million Melrose Park development in Melrose Park, Adelaide.

**“The new NHFIC loan facility is a real game changer for Junction. It has given us security and confidence to invest and seize development opportunities. As a result of NHFIC’s support, Junction has greater capacity to invest in a range of housing outcomes for South Australians – from affordable housing including for first homebuyers right through to social housing for new and existing tenants. Savings as a result NHFIC partnership to reinvest in both construction and maintenance to improve housing outcomes for existing tenants across our portfolio.”**

*Maria Palumbo, Junction CEO*

## ► Rebekah

Seeing my own home being built from the foundation up is really empowering.

**When Rebekah sees the sun set from her balcony, she knows she's home.**

The 29-year-old, who has purchased into the Melrose Park development in South Australia through the Affordable Homes Program, settled on the property almost a year ago and moved in in May 2020.

The \$14 million Melrose Park project—supported by NHFIC—comprises 36 new homes including 21 affordable townhouses sold off the plan and 15 homes retained by Junction for social housing.

It's a dream come true for Rebekah, who had previously believed single home ownership was beyond her reach. "I had considered it for a couple of years," she said. "I wanted to get out of the rental cycle and onto the property ladder as an investment in my future."



The project was undertaken by social enterprise Junction in partnership with local developer, Qattro.







### LOOKING FORWARD

The NHFIC loan will be primarily used for development of new social and affordable homes, sold to home owners, or retained by Junction to provide social or affordable rental housing. The development pipeline will generate \$62 million in capital spend, meaning an increase to GDP of \$145 million, and the creation of more than 250 jobs over five years in South Australia.





## LOAN: \$65 MILLION

	<b>Loan purpose</b>	Core refinance: \$58.5 million refinance of existing debt which was originally used to purchase 137 dwellings under Nation Building Leverage commitment targets. Social Housing Management Transfer capital works of \$2 million. An additional \$4.5 million towards part of the Coffs Harbour Development Project.
	<b>Geographic concentration</b>	NSW—Kingswood, Forster, Tuncurry, Taree, Toormina, Coffs Harbour
	<b>Target cohorts</b>	The majority of homes are for social housing eligible applicants in NSW and are on the NSW social housing register (priority listed). Other cohorts include long-term homeless, families at risk of homelessness and single, older women at risk of homelessness.
	<b>Tenant mix</b>	90% social housing, 10% affordable housing.
	<b>Possible outcomes from interest savings</b>	Increased delivery of social and affordable housing, and delivery of increased support coordination and community development services.
	<b>Wrap-around services</b>	Support coordination and community development.

The NHFIC loan facility has been a ‘game changer’ in freeing-up additional capital, lowering interest expenses and, with a longer tenor, reducing the incidence of refinancing risk. The NHFIC loan frees up Mission Australia Housing’s capacity to deliver more housing and increased tenant support over the long term which will result in better outcomes for social and affordable housing residents.



*Chris Bratchford, Executive Housing, Mission Australia*



## ► Tamara

I love my home,  
it's my space to  
feel safe.



**When Tamara's marriage of 31 years ended in 2016, she found herself homeless for the first time in her life. With nowhere to turn, Tamara and her 18-year-old son took the dogs and drove to a nearby beach.**

"I packed my belongings and headed out bush with my two fur babies to camp in my car," Tamara said. "Climbing into my car, I wound up the windows, locked the door and started to cry."

When Tamara managed to secure a short-term stay at emergency accommodation, her son moved back in with his dad and it was just Tamara and her two dogs. She eventually accepted offers to sleep on a friend's couch and stay in their empty garage, but she knew she had to find a permanent solution.

"Living in my car, couch hopping and staying in garages is all a learning curve," says Tamara. "I decided to enrol in a Community Services course at TAFE to get trained up to use my experiences to help people."

One morning, Tamara came across a social media post from Mission Australia and decided to reach out. Within two weeks, Tamara was invited to move into her new home.

"I didn't dare get my hopes up, but I was so shocked when I went to the [Mission Australia Coffs Harbour] office," Tamara said. "The staff told me they had a unit for me, and I burst into tears."

It was pet-friendly too so Layni and Tilly could remain with Tamara. "I love my home, it's my space to feel safe. It's my little piece of heaven," Tamara said.







Before Mission Australia Housing Tamara said she felt scared, unsafe, worthless and uncertain of her future. Today, she is feeling more confident and independent and looking into private rental options but her journey with the organisation is far from over.

"Once I moved in, things changed in a big way. I finished studying then retired from 40 years working in hospitality and got a job that I love as a youth support worker. I would love to continue working with Mission Australia Housing, supporting other community housing tenants, as they have been there for me at my lowest point."

# Pacific Link Housing



## LOAN: \$4 MILLION

	<b>Loan purpose</b>	<p>Reimbursement of the repayment of a \$2,120,000 loan from a commercial bank that allowed Pacific Link Housing (PLH) to retain 15 housing units for long term rental rather than sell them to retire development project debt. A further \$1,400,000 is allocated towards a 12-unit housing development at Woy Woy on the Central Coast of NSW. The remainder (\$480,000) will be applied for the acquisition of sites for future development projects and general working capital.</p>
	<b>Geographic concentration</b>	<p>PLH manages over 1,100 properties across an 8000sq km footprint in the Central Coast and Hunter regions, ranging from Woy Woy in the south to Port Stephens and inland to Maitland, across six local government areas.</p>
	<b>Target cohorts</b>	<p>The proposed development in Woy Woy will target women generally with a specific focus on older single females.</p>
	<b>Tenant mix</b>	<p>The tenancy mix will comprise affordable and market rental housing, with the final allocation to be determined on completion.</p>
	<b>Possible outcomes from interest savings</b>	<p>Interest savings can be redeployed by PLH towards funding its future development pipeline, delivering more capacity-building tenant programs and investing in operational systems to maintain continual improvement.</p>
	<b>Wrap-around services</b>	<p>For the provision of wraparound support services, PLH has formal service level agreements with 20 support partners, allowing nomination of tenants for allocated housing. These include local homelessness agencies, mental health agencies, disability service providers, youth service providers and indigenous groups. In addition, PLH have informal referral arrangements for tenants with support needs with a further 25 local support agencies. These services include their client referral officers who identify support needs and link residents with local support provider partners to assist with budgeting, health, disability and other needs.</p>



Pacific Link Housing's 12-unit housing development at Woy Woy, NSW.

### LOOKING FORWARD

Given the current low interest rate environment, Pacific Link Housing (PLH's) strategy is to maximise the extent of investment of resources in development of new housing supply—subject to maintaining adequate short, medium—and long-term liquidity. Essentially, the company's capital will be deployed as far as possible in pursuing the mission of adding to housing supply, rather than in low yielding cash-based investments. PLH has forecast an internal rate of return of 5.10% on the Woy Woy project, measured over a 25-year term. Investing the NHFIC loan in development and construction of the Woy Woy project will see two three-bedroom villas replaced with a modern medium density 12-unit apartment complex, comprising nine one-bedroom units and three two-bedroom units. This housing configuration provides the flexibility to respond to the significant housing demand of older single females within the area, particularly from older single females. On completion the project could accommodate up to 30 residents within the 12 apartments.





The NHFIC loan allowed Pacific Link Housing to retain 15 housing units for long term rental at Glendale, NSW.

The NHFIC funding has been a game changer for Pacific Link Housing. It has meant that instead of selling new housing that we have constructed, we can retain it for long term rental. This allows the company to build our balance sheet and long term cashflow security, which in turn gives us the capacity to build more housing and pursue our mission.



*Ian Lynch, Pacific Link Housing CEO*

## ► Brett

# You really appreciate what you have after being homeless.

**Brett was a glazier with 47 years' experience, who loved his job and took immense pride in his work. After 15 years with the same employer, a change in management unfortunately resulted in Brett losing his job.**

"It was a good job and a good crew. I thought I would retire there. Life was good," he said.

Brett had some savings put aside and invested in a farm with a friend. Their plan for an early retirement fell through and they both lost their home and hope for the future. That is when he found himself homeless.

Brett spent five years sleeping in his car at various locations, including a commuter carpark where he became the unofficial caretaker of the area. He decided to build a garden next to his car filled with ruby red geraniums and sandstone blocks.

"I kept the area spotless and decided that if I was living in my car, I wanted to leave something behind," he explained.

Eventually, Brett was referred to Pacific Link, who offered him a home just before Christmas.

He refers to his one-bedroom unit as a penthouse.

"I was so happy and emotional when Pacific Link told me I could stay here forever," Brett said. "I bought a big bunch of flowers and chocolates for the staff. You really appreciate what you have after being homeless."



## LOAN: \$210 MILLION

	<b>Loan purpose</b>	<p>SGCH Sustainability Limited is a subsidiary of the SGCH Group, established as an asset and debt holding special purpose vehicle. During the year, a \$210 million fully drawn facility was put in place with NHFIC enabled to refinance loans to SGCH Sustainability. SGCH Group will refinance its existing debt to support 305 existing dwellings and build 235 new homes.</p>
	<b>Geographic concentration</b>	<p>Metropolitan Sydney: Menai, Mascot, Croydon Park, Miranda, Beverly Hills, Riverwood, Peakhurst, Bass Hill, Carrs Park, Kirrawee, Punchbowl, Fairfield, Cartwright, Westmead, Miller, Liverpool, Redfern and Casula.</p>
	<b>Target cohorts</b>	<p>Gibbons Street, Redfern has specific targets for Aboriginal people. Properties developed under the Social and Affordable Housing Fund (SAHF)—will fund social and affordable housing properties, with dedicated targets for older single women, people experiencing family and domestic violence and aboriginal people—linked with tailored support.</p>
	<b>Tenant mix</b>	<p>30% affordable, 70% social depending on the development and location.</p>
	<b>Possible outcomes from interest savings</b>	<p>The lower interest rate attached to the NHFIC loan provides the Group with around \$40 million to be invested and grow our portfolio of social and affordable homes.</p>
	<b>Wrap-around services</b>	<p>With 30 per cent of our customers linked with support, we have established relationships with local support services. SGCH also offers an in-house support coordination service that links people with support. Support can include assistance with healthy ageing and ageing in place, financial support, mental health support, domestic and family violence assistance and disability support. SGCH also offers links to training, education and employment through our inhouse service, Catalyst.</p>

**“The NHFIC debt facility is highly efficient and expected to save SGCH Group \$40 million over the term of the facility, an amount we will invest into hundreds of new homes by leveraging our operating and development capabilities and through further capital partnerships.”**



Scott Langford, SGCH CEO

## ▶ Hannah

I love it here. I have everything I need.

**Hannah had been looking for a better place to live for many months. She'd been living with her two children in a small apartment in Punchbowl, where they were cramped and uncomfortable.**

When she got the call from SGCH for a social housing property, she quickly wrote down the address and went to have a look at the outside of the home.

“I had to call the office, I couldn't believe that this was the building. It was brand new! When they told me the address was correct, I started crying I was so happy.”

Hannah is now settled into a 2-bedroom home. It's spacious and clean. Her children can play safely in the small courtyard at the front and they're close to the school, shops and the local pool.



# Women's Housing Limited



## LOAN: \$9 MILLION

	<b>Loan purpose</b>	Refinance existing debt of \$5.5 million attached to developments at Bentleigh (49 units), Bayswater (27 units) and Box Hill (seven units). The remaining \$3.5 million will be directed to new development opportunities as they arise and when capital funding becomes available.
	<b>Geographic concentration</b>	Metropolitan Melbourne.
	<b>Target cohorts</b>	Women-headed households—Women and children experiencing family violence, Older women (over 55), working women from low to medium income groups.
	<b>Tenant mix</b>	Low income women, key workers, women on public housing wait list.
	<b>Possible outcomes from interest savings</b>	Women's Housing Limited purchased 7 x 1-bedroom affordable housing units at Box Hill for key workers. These units were funded via a developer contribution (properties were purchased at a 60% discount to the market price) and the low-interest NHFIC loan.

**“The loan provides financial security and cost savings so that WHL can continue to grow affordable, safe and secure housing to women and children experiencing a housing crisis.”**



*Judy Line, Women's Housing Limited CEO*





**Women's Housing Limited, Victoria**

Two of the affordable housing properties owned by Women's Housing Limited. The property on the right won the Urban Development Industry Association—Victoria (UDIA) award for Excellence—Affordable Housing in 2012.

The units are high quality, spacious and modern—providing women with a safe, affordable home where they can get back on their feet.



# Appendix A

## Bond 1: CHP loan information

Issue date: 28 March 2019; Maturity date: 28 March 2029; Volume: A\$315m; ISIN: AU3CB0262038						
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	Target cohorts	Tenancy mix
BlueCHP Limited	70	0	\$50m to refinance debt originally used to fund construction and acquisition of 318 dwellings.  \$20m working capital to assist in development of 87 single dwellings.	Sydney (including Campbelltown, Jordan Springs)	Single women, single women over 55, single women with children, key workers	41% social, 59% affordable on 632 dwellings
Community Housing Limited	35	0	\$32m to refinance debt originally provided to construct or acquire 160 properties across WA and NSW.  \$3m working capital to assist with equity investment in affordable housing projects.	Regional NSW including Port Macquarie and North Gosford.	Tenants on low to moderate income, indigenous, tenants with disabilities, chronic illness and mental health issues	49% social, 51% affordable on 282 dwellings
Compass Housing Limited	45	0	Refinance debt that was originally used to assist in the delivery of 404 dwellings as part of Vested Leverage Program commitment to NSW FACS.	Perth, WA.	Tenants with disabilities and on low incomes	69% social, 31% affordable on 404 dwellings

## Bond 1: CHP loan information (continued)

**Issue date:** 28 March 2019; **Maturity date:** 28 March 2029; **Volume:** A\$315m; **ISIN:** AU3CB0262038

Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	Target cohorts	Tenancy mix
Evolve Housing	70	0	<p>\$50m to refinance debt originally used to fund the development of 128 units in Penrith.</p> <p>\$20m working capital to assist in the development of 30 new units and acquire further development sites.</p>	Northern NSW (including The Entrance and East Maitland)	Single women over 55, tenants with disabilities, people on low incomes, single women with children, couples over 65	72% social, 28% affordable on 677 dwellings
Hume Housing	35	0	<p>\$30m to refinance debt that was originally used to construct 111 dwellings in Sydney.</p> <p>\$5m working capital for replacing non-conforming cladding and ongoing maintenance of properties</p>	Sydney (including Penrith, Blacktown, Seven Hills, Harris Park)	Tenants on low incomes, migrants with English as a second language	58% social, 42% affordable on 269 dwellings

## Bond 1: CHP loan information (continued)

Issue date: 28 March 2019; Maturity date: 28 March 2029; Volume: A\$315m; ISIN: AU3CB0262038						
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	Target cohorts	Tenancy mix
UnitingSA Housing Limited	7	0	The \$7 million NHFIC loan has enabled the development of 27 community housing properties across Adelaide, including a six townhouse development in Kidman Park, nine houses in Kurralta Park, an eight bed development in Ferryden Park and planning is underway for four single storey dwellings in Kidman Park.	Sydney (including Telopea, Fairfield, Bankstown, Warwick Farm, Guildford)	Tenants on low incomes, refugees, persons with mental health issues and disabilities, single women over 55	68% social; 32% affordable on 53 dwellings
Unity Housing Company Limited	38	0	\$32.5m to refinance debt originally used to construct and retain 182 units in Adelaide.  \$5.5m working capital to assist in the development of 113 dwellings over the next 10 years	Adelaide (including Paradise, Parralowie, Pennington, Findon, Kidman Park)	Tenants on low incomes, tenants with disabilities	30% social, 70% affordable over 385 dwellings
SGCH	15	0	\$10m to refinance debt originally used to acquire dwellings in Sydney.  \$5m working capital for future site acquisitions and development projects	Tenants on low to moderate incomes, Indigenous, tenants with disabilities.	Sydney (Bankstown and Leumeah)	100% affordable on 100 units
<b>TOTAL</b>	<b>315</b>	<b>0</b>				

# Appendix B: EY Independent Reasonable Assurance Report



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## Independent Reasonable Assurance Report to the Directors and Management of The National Housing Finance and Investment Corporation

### Assurance conclusion

Based on our reasonable assurance procedures, as described in this statement as of 29 October 2020, in our opinion the National Housing Finance and Investment Corporation's ('NHFIC') post-issuance process ('Post-issuance Process') in relation to its First and Second Social Bonds meets the requirements of the criteria defined below, in all material aspects.

### Subject Matter and Criteria

The subject matter of the Post-issuance Process and associated criteria are set out in the table below:

Subject Matter	Criteria
Post-issuance process for NHFIC's First and Second Social Bonds, as described in NHFIC's Sustainability Bond Framework, being the:	▶ International Capital Markets Association's Social Bond Principles ('SBPs') June 2018
▶ Minimum criteria for eligible Community Housing Providers	▶ Final Loan Agreements with Community Housing Providers (CHPs)
▶ Use of proceeds	▶ NHFIC's internal policies and procedures, as documented in NHFIC's Sustainability Bond Framework
▶ Management of proceeds	
▶ Reporting on the use of proceeds and allocation.	

### Management Responsibility

The management of NHFIC is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the Criteria and for maintaining adequate records and internal controls that are designed to support the Bond Issuance.

### Assurance Practitioner's Responsibility

Our responsibility is to express a reasonable assurance conclusion on the Subject Matter. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000').

### Level of Assurance

A reasonable assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance as the basis for a positive form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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### Our Approach

Assurance procedures performed included, but were not limited to:

- ▶ Reviewing the policies and procedures in NHFIC's Sustainability Bond Framework to assess whether they were aligned to the requirements of the SBPs
- ▶ Conducting enquiries with personnel to understand the business, processes, and systems for collecting, collating, and reporting information relating to the post-issuance
- ▶ Confirming the eligibility of assets in NHFIC's Social Bond against NHFIC's Sustainability Bond Framework and SBPs
- ▶ Reviewing the loan purpose and value set out in final loan agreements to CHPs to calculate the total value of eligible assets
- ▶ Reviewing the allocation and disbursement of net proceeds raised from the Social Bonds to eligible assets
- ▶ Obtaining representation from NHFIC Management.

### Limitations

There are inherent limitations in performing assurance; for example, assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ASAE 3000 and the SBPs is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to NHFIC's First and Second Bond Post-issuance Process and did not include any procedures in relation to NHFIC's statutory financial statements. Our assurance is limited to policies and procedures in place as 29 October 2020.

### Use of Report

Our responsibility in performing our assurance activities is to the Directors and Management of NHFIC only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on NHFIC's Post-issuance Process is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third-party purpose.

### Our Independence and Assurance Team

In accordance with APES 110 *Code of Ethics for Assurance Practitioners*, the firm and all professional personnel involved in this engagement have met the requirements of Australian or International professional ethical requirements, including our independence. Our team has the required competencies and experience for this assurance engagement.

Dr Matthew Bell, Partner  
Partner,  
Brisbane, Australia  
29 October 2020

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## Annex A

### NHFIC's list of First and Second Social Bond eligible assets<sup>1</sup>

Social Bond Issuance	Eligible Asset	Value as at 29 October 2020 (AUDm)	State	Purpose
Social Bond 1 (March 2019)	Blue CHP Limited	70.0	NSW	Refinancing of core debt plus extra for development of more affordable housing, including the acquisition of new sites and assisting in disability housing
	Community Housing Limited	35.0	NSW/WA	Refinancing of existing debt plus extra to assist with further developments of affordable housing
	Compass Housing Services Co. Ltd	45.0	NSW	Savings on refinancing of debt will assist in funding maintenance and community services
	Evolve Housing Limited	70.0	NSW	Savings on refinancing of debt will assist in funding more development and community services
	Hume Community Housing Association Co Ltd	35.0	NSW	Funding to assist with portfolio maintenance, community programs including health education, transition housing, work readiness and potential future development sites.
	St George Community Housing Limited	15.0	NSW	Refinancing of existing debt for further developments of affordable housing.
	UnitingSA Housing Ltd	7.0	SA	Refinancing of existing debt plus extra for the development of new social and affordable townhouses.
	Unity Housing Company Limited	38.0	SA	To assist in the development of 109 dwellings
Social Bond 2 (November 2019)	Anglicare SA Housing Ltd	32.0	SA	Refinancing and repayment of existing debt plus extra to assist with further developments of affordable housing
	Bridge Housing Limited	51.0	NSW	Refinancing of existing debt plus extra to assist with further developments of affordable housing, including acquisitions, housing refurbishments, and potential future development of sites.
	Churches of Christ Housing Services Limited	4.9	QLD	Refinancing of existing debt to assist with further developments of affordable housing
	Foundation Housing Ltd	35.0	WA	Refinancing of existing debt
	Haven Home Safe	65.0	VIC	Refinancing and repayment of existing debt plus extra to assist with further developments of affordable housing
	Housing Choices Australia Limited	55.0	VIC	Refinancing of existing debt plus extra to assist with further developments of affordable housing
	HousingFirst Limited and Housing First ATF Port Philip Housing Trust	72.0	VIC	Refinancing of existing debt plus extra to assist with further developments of affordable housing, including acquisitions and housing refurbishments
	<b>Total value of eligible assets</b>	<b>629.9</b>		

<sup>1</sup> All eligible assets are loans to the named Community Housing Providers (see Table above), as indicated by the final loan agreements reviewed.



