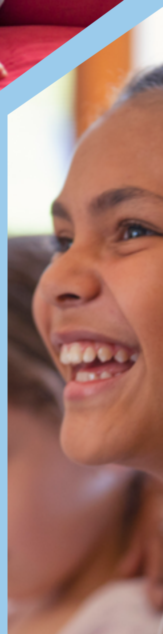
Improving housing outcomes for Australians



National Housing Infrastructure Facility: Review of the financing function, section 57B of the *Housing Australia Act 2018*

July 2018 – December 2024

Australian Government

Housing Australia

Contents

About Housing Australia

Housing Australia is the independent national housing agency supporting the delivery of Australian Government programs to improve the supply of sustainable, long-term social and affordable housing, and support home ownership for more Australians.

Housing Australia brings together all levels of government, community housing providers (CHPs), institutional investors, banks and other lenders, private sector developers, landowners and construction companies to facilitate and deliver more social, affordable and market housing. Housing Australia also works with participating lenders to facilitate loans to help eligible home buyers purchase a home with a small deposit and without the need for Lenders Mortgage Insurance.

This report constitutes the output of a review of the National Housing Infrastructure Facility (the NHIF) in accordance with section 57B of the *Housing Australia Act 2018* (Cth) (the Act). The review covers the period from NHIF's commencement in July 2018 to 31 December 2024.

Introduction

The Minister for Housing requested that Housing Australia undertake a review of the NHIF, commencing 13 January 2025. Housing Australia was requested to consider matters including, but not limited to:

- An overview, background and structure of the NHIF and why it was created.
- Insights and data on NHIF uptake including:
  - breakdowns by state and territory, disaggregated into metropolitan, regional and remote;
  - the number of projects approved and committed;
  - the number of dwellings built and supported and by type (detached, or multi-density) and dwelling type (social, affordable, market and specialist accommodation);
  - the funding type (grant or loan) disbursed and financing from other sources other than the NHIF;
  - the proponent type and partners (community housing provider, consortium);
  - the target tenant cohort (for example, women over 55 years old, First Nations people);
  - for NHIF Critical Infrastructure, discussion on types of infrastructure supported through Housing Australia, for example transportation, electricity and gas, site remediation, housing construction, water, sewerage, storm water, telecommunications, onsite and linking infrastructure.
- Commentary on uptake of the NHIF Social and Affordable Housing projects compared to NHIF Critical Infrastructure projects and any supporting rationale:
  - factors which may have impacted demand for NHIF finance over time, including the broader concessional finance market;
  - stakeholder experiences or case studies.

The NHIF was established by the Australian Government as a $1 billion fund in 2018 to provide finance for eligible housing-enabling infrastructure projects required to support the delivery of new housing, particularly affordable housing. In 2022, the mandate for the NHIF was expanded for more flexible use, allowing the available funds, $575 million at the time, to also help directly unlock new social and affordable projects. In 2024, the NHIF was increased by $1 billion ($700 million for grants and $300 million for concessional loans) to provide funding for crisis and transitional accommodation for women and children experiencing domestic violence, and crisis and transitional accommodation for youth experiencing or at risk of homelessness.

The NHIF is administered by Housing Australia. The Act provides the Responsible Minister with the power to issue directions on the operation of Housing Australia's investment function in the form of a legislative instrument, the Housing Australia Investment Mandate Direction 2018 ('the Investment Mandate')[1]. Section 7 of the Investment Mandate requires that Housing Australia establish and operate the NHIF in accordance with Part 4 – *National Housing Infrastructure Facility.*

This review was commenced consistent with the requirements of section 57B of the Act and will be conducted annually in the future.

This review provides an overview of outcomes achieved by projects financed through the NHIF and insights into broader trends in the evolution of the facility.

As at the date of undertaking this review, Housing Australia has released guidelines for proponents seeking to access the $1 billion committed to crisis and transitional accommodation, however the fund is not yet open for applications, and therefore is not a feature of this review.

As of 31 December 2024, Housing Australia has committed $640 million from the NHIF in the form of concessional loans and grants, unlocking the availability of land for housing development or directly facilitating the delivery of over 8,000 new social, affordable and market homes across nearly all states and territories. Since the NHIF mandate was expanded, more than 72 per cent of approved funding – over $340 million – has been directly allocated to social and affordable housing projects, with committed funding potentially delivering up to 1,200 new homes across the country.

1. Section 12(1), *Housing Australia Act 2018* (Cth).

Figure 1: The housing development lifecycle, overlayed with the NHIF support

The NHIF provides support at different stages of the housing development lifecycle.

Highlights

Housing Australia's NHIF funding approvals more than doubled in 2024 compared to 2023, with approximately

$170m

remaining in the fund as of 31 December 2024 for new housing-enabling infrastructure and social and affordable housing project funding applications after accounting for all approved projects in the pipeline.[3]

With the recent increase in the NHIF of

$1bn

for crisis and transitional accommodation, the NHIF has grown to a

$2bn

program.

$1bn

NHIF component for crisis and transitional housing projects will be made available through an expression of interest process in the first half of 2025.

Funding administered by Housing Australia from the NHIF has contributed to housing outcomes across Australia's housing continuum, by providing complementary funding solutions at different stages of the housing development lifecycle. Extension of the NHIF by the Federal Government to social and affordable housing projects in November 2022 has resulted in a notable increase in approved projects.

As of 31 December 2024, Housing Australia has committed[2] $640 million in funding from the NHIF for concessional loans and grants. This funding has unlocked land for housing development and directly facilitated the delivery of over 8,000 new social, affordable and market homes, as advised by applicants. An additional $182 million has been approved for projects that are progressing toward contract execution. A further $115 million was approved for projects that have been withdrawn for reasons including unanticipated cost escalations, inability to secure additional finance, or failure to obtain required development approvals, and these funds remains within the facility.

Since the NHIF mandate was expanded in November 2022 to include social and affordable housing projects, more than 72 per cent of approved funding – over $340 million – has been directly allocated to social and affordable housing projects, with applicants noting committed funding has the potential to deliver up to 1,200 new homes.

The NHIF has achieved broad geographical coverage, supporting housing outcomes across most states and territories in both metro and regional areas.

Housing Australia has committed funding from the NHIF to projects in all states and territories except Western Australia and the Australian Capital Territory. Since the NHIF's commencement, around $50 million, or eight per cent of committed funding has been awarded to projects in regional and remote areas of Australia. NHIF funding has been concentrated in the eastern seaboard states with $226 million, or 35 per cent of committed funding going to Queensland, $206 million or 32 per cent to NSW and $178 million or 28 per cent to Victoria. An additional project in Western Australia has been approved by Housing Australia and is being progressed to contract execution. Housing Australia has made concerted efforts to identify potential projects in all states and territories through direct engagement with prospective applicants, stakeholder forums, and deployment of location-specific staff.

2. Committed in this context means funding has been approved and contracts executed.
3. Headroom can become available if a project proponent withdraws their application after approval, or when loans are repaid.

NHIF plays a central role in bringing projects to life by complementing other sources of funding including state and territory government grants, commercial bank funding and institutional capital.

Projects that receive NHIF funding are typically supported by multiple funding sources. Since inception of the NHIF, 14 projects have been funded that also include state or territory grants, ten projects have received other state or territory contributions (such as land or availability payment streams), two have involved commercial bank debt, and three have secured institutional capital.[4]

Approximately $450 million in committed funding from the NHIF across 16 projects has been complemented by one or more of these alternative funding sources, which have the potential to unlock up to 4,700 new social, affordable and market homes when fully delivered as advised by applicants.

Additionally, senior debt through Housing Australia's Affordable Housing Bond Aggregator (AHBA) has been a key element in project financing, with approximately one in five projects with committed NHIF funding also utilising AHBA debt.

More than a quarter of homes supported by the NHIF are designated for target tenant cohorts.

Projects with committed NHIF funding include more than 2,400 homes identified by applicants as designated housing for target tenant cohorts, including women and children escaping family violence, older women at risk of homelessness, First Nations people, and key workers.

The Investment Mandate as it relates to the NHIF provides the flexibility for Housing Australia to work with proponents to identify innovative housing projects, including new financing solutions and efficient construction methods.

Projects funded through the NHIF often involve public-private partnership funding models, offering benefits such as improved efficiency, additional financing, and faster delivery.

Innovative housing delivery projects have also been funded, for example in August 2024, Housing Australia committed NHIF funds for modular housing—a construction method that has the potential to enhance productivity and reduce development timelines by up to 50 percent.

NHIF funding for housing-enabling infrastructure is unlocking land for large-scale housing outcomes, however extended lead times can occur due to complex planning, design and construction processes associated with infrastructure. Nevertheless, the NHIF is playing an important role in creating opportunities for the delivery of longer-term housing outcomes.

Applications for NHIF funding to support housing-enabling infrastructure development have the potential to support large-scale housing outcomes for new estates and urban areas to ultimately unlock long-term social, affordable and market housing outcomes. Infrastructure planning and delivery precedes housing delivery, and the time from funding approval to housing completion can be extended. This is due to the complexities and timeframes associated with infrastructure planning, approvals, construction, and housing delivery. Predicting the final volume of social, affordable and market housing outcomes can be challenging for NHIF funded housing-enabling infrastructure projects. This is because estate developments are often staged to occur over time and demand drivers can shift throughout these stages.

4. Projects can include a combination of these alternative funding contributions.

NHIF overview

Eligible proponents for NHIF funding include registered CHPs, State or Territory Governments, Local Governments and their owned corporations, utilities and Special Purpose Vehicles. These entities can apply for NHIF finance to support projects that directly support housing-enabling infrastructure or increase the availability of social and affordable housing.

The NHIF was established in July 2018 to overcome impediments to the provision of housing caused by the lack of necessary infrastructure.[5]

The Investment Mandate was revised in November 2022[6] to expand the purpose of NHIF to provide funding for both housing-enabling infrastructure and social or affordable housing projects.

A further revision to the Investment Mandate was made in December 2024[7] to allow for an additional $1 billion investment through the NHIF for finance for crisis and transitional housing, specifically short and medium term housing for women or children who are experiencing family violence, or youth who are experiencing, or at particular risk of, homelessness.

Section 21AA of the Investment Mandate outlines the purpose of the NHIF is:[8]

(a) to overcome impediments to the provision of housing that are due to the lack of necessary infrastructure; and

(b) to increase the availability of social and affordable housing, including crisis and transitional housing.

The NHIF does this by providing finance for eligible infrastructure and housing projects that would not otherwise have proceeded, or that would only have proceeded at a much later date or with a lesser impact on new social or affordable housing (including new crisis and transitional housing).

5. *National Housing Finance and Investment Corporation Investment Mandate Direction 2018*, 3 July 2018.
6. *National Housing Finance and Investment Corporation Investment Mandate Amendment (Social and Affordable Housing) Direction 2022*, 18 November 2022.
7. *Housing Australia Investment Mandate Amendment (2024 Measures No.2) Direction 2024*, 20 November 2024.
8. Housing Australia Investment Mandate Direction 2018, Compilation 15, 20 December 2024 (*Investment Mandate*).

NHIF funds and administration

Pursuant to the Investment Mandate, Housing Australia must establish a permanent fund for the purposes of the NHIF.[9] Sub-funds must be created for the purpose of:

(a) financing housing-enabling infrastructure and social or affordable housing projects (other than crisis and transitional housing projects);

(b) financing social or affordable housing projects that are crisis and transitional housing projects.

The Australian Government has committed $1 billion to each of these funds, or $2 billion in total. The Investment Mandate requires that the amount of grants committed for housing-enabling infrastructure projects and social or affordable housing projects must not exceed $173.5 million.[10] Grants for crisis and transitional housing projects must not exceed $700 million.[11]

The Investment Mandate outlines NHIF's financing mechanisms, eligibility and criteria for financing decisions.[12]

Housing Australia administers NHIF funding through three programs:

NHIF Critical Infrastructure

NHIF Critical Infrastructure (NHIF CI) provides support for housing-enabling critical infrastructure projects, such as demolition works, site remediation, sewerage, roads and utilities, unlocking the availability of land for the subsequent delivery of new social, affordable and market housing.

NHIF Social and Affordable Housing

NHIF Social and Affordable Housing (NHIF SAH) finance can be used for the construction of new social and affordable housing stock, as well as acquisition and conversion of housing stock to social and affordable housing. While the focus is directly supporting new social and affordable housing, mixed tenure developments are also considered for funding.

NHIF Crisis and Transitional Housing[13]

NHIF Crisis and Transitional Housing (NHIF CT) finance can be used to support the construction of new crisis and transitional housing as well as the acquisition and conversion of existing housing stock to new crisis and transitional housing. NHIF CT finance can only support new crisis and transitional housing projects. Mixed tenure developments may be considered, with non-crisis and transitional housing funded by other sources.

$2bn

is committed by the Australian Government to establish a permanent fund for the purposes of the NHIF

9. Section 13, *Investment Mandate.*
10. Section 15(1), *Investment Mandate.*
11. Section 15(2), *Investment Mandate.*
12. Part 4, Division 1 – 3, *Investment Mandate.*
13. As at the date of undertaking this review, Housing Australia has released guidelines for proponents seeking to access the $1 billion committed to crisis and transitional accommodation, however the fund is not yet open for applications.

$640m

committed in funding for housing-enabling infrastructure and social and affordable housing projects

This could support the delivery of more than

8,000 homes

NHIF approved and committed funding

Between July 2018 and 31 December 2024, Housing Australia committed almost $640 million in funding for housing-enabling infrastructure and social and affordable housing projects, unlocking the availability of land for housing development or directly facilitating the delivery of over 8,000 new social, affordable and market homes, as advised by applicants.

Of this, Housing Australia has committed:

- almost $391 million under the NHIF CI stream with the potential to support up to 6,800 homes, and
- $249 million under the NHIF SAH stream, with the potential to support up to 1,200 homes.

Approximately 84 per cent (almost $540 million) of all committed funds were for concessional loans while the remaining $100 million has been committed in the form of grants.

A further $182 million has been approved by Housing Australia and is currently being progressed through to contract execution with applicants noting the potential to support an additional 1,260 homes.

An additional $115 million in funding was approved to support more than 2,000 new homes but has remained within the fund as projects were withdrawn by applicants. Applicants may elect to withdraw their application after funding approval for various reasons, such as no longer requiring the funds, failure to secure development approval, the project becoming unviable due to unanticipated cost escalations, or applicants unable to secure the additional finance or equity required to deliver the project.

Figure 2: NHIF funding approvals and commitments – June 2018 to December 2024[14]

Program	Funding type	Housing Australia-approved funding[15]	Committed funding[16]
NHIF CI	Loans	$497.1 million	$332.0 million
	Grants	$101.2 million	$58.9 million
Total		**$598.3 million**	**$390.8 million**
NHIF SAH	Loans	$278.2 million	$205.2 million
	Grants	$62.4 million	$43.8 million
Total		**$340.6 million**	**$249.0 million**
TOTAL		**$938.9 million**	**$639.8 million**

14. Total may not add due to rounding. Data is based on details provided at the time of Housing Australia approving the application and again when funds are committed.
15. Includes projects that had funding approved and were subsequently withdrawn by the applicant. Includes umbrella facilities and may include capitalised interest.
16. Figures may have been amended as projects progressed from approval through to contract execution.

As of 31 December 2024, almost $280 million has been disbursed from Housing Australia to project proponents. The difference between funds committed and disbursed under the NHIF primarily reflects the time taken from contractual execution to disbursement. Projects often face extended timelines due to the complexities and timeframes associated with development, relevant approvals, and construction delivery.

Housing Australia has entered into 27 contracts under the NHIF, supporting 16 project proponents. The nature of these agreements include direct funding to CHPs, collaboration between Housing Australia and state and territory governments, and several public-private partnership consortia.

NHIF funding plays a central role in bringing projects to life by complementing other sources of funding. Since the NHIF's inception, funding has been committed for 14 projects that have involved either state/territory grants, ten with other state/territory contributions (such as land or availability payments), two with commercial bank debt, and three with institutional capital.[17] The 16 projects with one or more of these alternative funding sources will either unlock the availability of land for housing development or directly facilitate the delivery of over 4,700 new social, affordable and market homes, as advised by applicants, complemented by almost $450 million in NHIF funding.

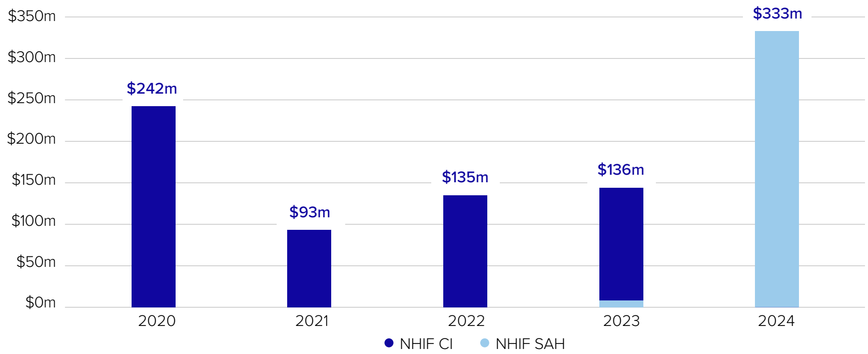
Senior debt through Housing Australia's AHBA has been a key element in project financing, with almost one in five (19 per cent) projects with committed NHIF funding also being supported by AHBA debt funding.

The NHIF provides flexibility across loans and grants to support both housing-enabling infrastructure and social and affordable housing projects, supporting a wide range of project funding and capital structures. Project funding characteristics have generally been shaped by the applicants' needs.

The Australian Government amended the Investment Mandate in November 2022 to enable NHIF funding to be applied to social and affordable housing projects, with the first NHIF SAH funding approval granted in the first half of 2023, and approvals further accelerating in 2024. The lag between the amendments taking effect and Housing Australia approving applications for funding was due to the time required to promote the new funding opportunity, identify eligible projects, and progress applications through to approval.

Over $340 million has been approved as concessional loans and grants under NHIF SAH since the mandate was expanded, accounting for 72 per cent of all approved funding over that period. Of this, $250 million has been committed with applicants advising the committed funds are expected to directly support the construction or acquisition of up to 1,200 new homes.

Figure 4: NHIF funding approved by Housing Australia by calendar year and program since inception



17. Projects can include a combination of these alternative funding contributions.

Figure 3: NHIF funding application and project life cycle

1. Expression of Interest received, applicant and project eligibility assessed by Housing Australia

2. Applicant invited to submit an application if they pass the EOI assessment and sufficient NHIF funds are available

3. Application received, assessed and considered for approval by Housing Australia

4. Application for funding is approved

5. Contract signed for funding commitment between Housing Australia and project proponent

6. Disbursement of funds > construction commences or purchase settlement

7. Repayment of concessional loans to permanent fund and redeployment into new projects

NHIF modular construction

The relatively new technique of 'modular construction' has the potential to speed up the pace of construction and lift productivity particularly when labour and materials are in short supply. It's particularly useful in regional and remote areas with limited depth of construction supply chains.

Traditional residential construction involves many tasks of assembly and supply chain sequencing that need to be carried out on a construction site. Now, many onsite construction activities can be taken offsite and into high-tech manufacturing facilities. This process has the potential to deliver economies of scale, by reducing the marginal costs of production.

In addition to scale benefits, modular housing construction offers:

- Reduced onsite construction time by up to 50 per cent
- Increased labour productivity using a factory style assembly line approach
- Improved cost control and on-time delivery due to a controlled factory manufacturing process that is not weather dependent
- Better quality control in a well-observed plant that is not exposed to weather
- Less waste, minimising the landfill created by on-site construction
- Safety benefits with reduced volumes of construction sequencing on-site, reduced people on-site, and stable and consistent manufacturing processes in offsite facilities.

Recent industry innovations, such as flat pack modular systems, have improved the industry's ability to provide the design versatility associated with architecturally designed buildings. This allows modular buildings to evolve from more traditional interconnected, rectangular box-style structures.

Many countries have adopted modular construction, including Sweden (84 per cent of homes built using prefabricated or modular construction), Japan (28 per cent), the Netherlands (20 per cent), Germany (9 per cent) and the US (5 per cent). China's modular construction market was valued at more than USD 17 billion in 2024 and is projected to grow to approximately USD 29 billion by 2032. In Hong Kong, modular construction was introduced in 2017 as part of a strategy to boost housing supply and shorten public rental housing wait times. A notable example is a high-rise development that was completed five months faster than traditional construction methods.

Estimates suggest that only 5 per cent of new homes in Australia are prefabricated or modular. However, signs are emerging of a nascent modular housing industry. For example, the NSW Government is investing $10 million to explore and trial the use of modular housing to deliver social housing. Sites in Wollongong and Lake Macquarie have been identified for this project, with construction expected to be completed in 2025.

A systemic change required to support industry growth is for banks to adjust their payment terms when lending for modular housing. In traditional single home construction, milestone payments are used to provide customers with cashflow to meet payments to the contractor. However, when using modular construction, a large portion of the work is done offsite. In response, banks initially offered finance for modular construction projects with a deposit at the start of manufacturing and a payment at completion, creating significant cashflow pressures for builders. As a result, some builders have had to use additional financing to provide cashflow while the dwelling is being assembled in the factory, passing the cost on to the homeowner. Industry sources suggest this practice adds around 1.5 per cent to the total cost of construction.

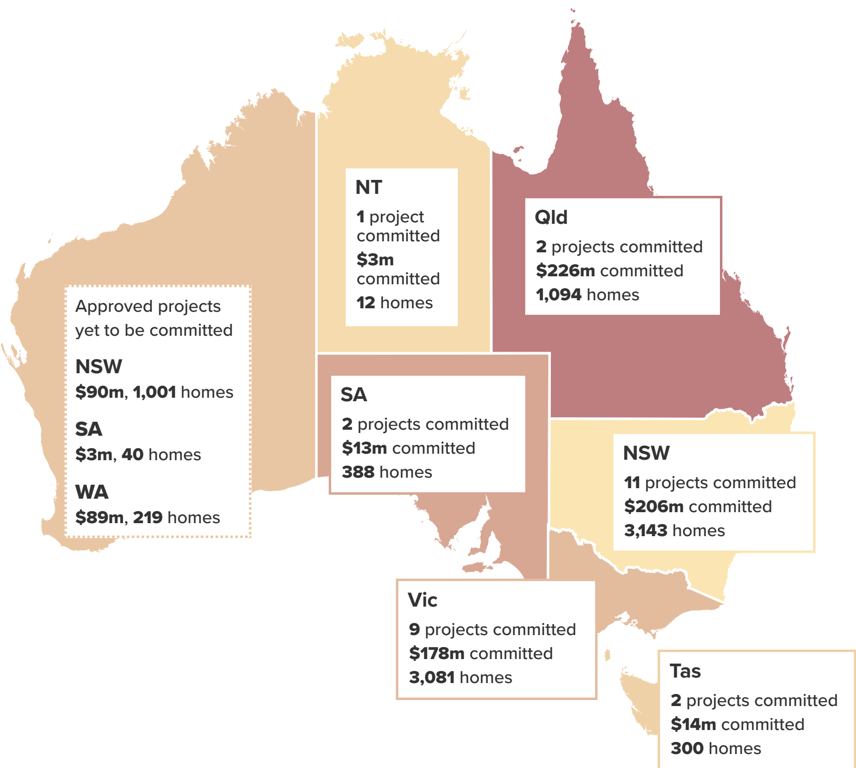
However, now lending practices are starting to change in support of modular construction. For instance, banks have started to allow customers to access a greater amount of the total contract price before the home is installed on-site. In addition, partnerships with prefabAUS, the peak body representing Australia's off-site construction sector, is facilitating the development of a standard form contract tailored for modern construction methods, which is expected to streamline agreements between homebuyers and manufacturers.

Trends and insights

Committed funding by location

Under the Investment Mandate, Housing Australia must make reasonable efforts to identify entities in each state and territory whose business or activities may be assisted or benefited by being provided with finance under the NHIF.[18] Between July 2018 and 31 December 2024, approximately a third of all committed funding (35 per cent) was allocated to projects in Queensland ($226 million supporting almost 1,100 homes). The majority of this funding is attributed to one of Queensland's largest social and affordable housing projects.[19] Sixty per cent of all NHIF funding has been committed to projects in New South Wales and Victoria ($206 million supporting up to 3,140 homes and $178 million supporting up to 3,080 homes, respectively).[20] Jurisdictions on the eastern seaboard have larger funding allocations and a higher number of supported homes due to higher application volumes (Figure 5).

Figure 5: NHIF concessional loans and grants committed[21] by state and territory



As of 31 December 2024, Housing Australia has approved a further three eligible projects, which once contracted have the potential to support up to 1,260 additional homes in NSW (1,000 homes), WA (220 homes) and SA (40 homes).

Since the inception of the NHIF, Housing Australia has been advised by applicants that committed funding has unlocked the availability of land or will directly facilitate the delivery of more than 7,300 social, affordable and market homes in metropolitan areas across Australia, and more than 540 homes in regional NSW, Queensland and Tasmania. So far, one project committed by Housing Australia is located in a remote area of the Northern Territory which is anticipated to support 12 homes (Figure 6). Funding that has the potential to unlock a further 80 homes, as advised by applicants, has been committed under an umbrella facility where the applicant is yet to identify a specific project site.

Figure 6: Distribution of committed NHIF funding portfolio, by region[22]

Region	Committed funding[23]	Homes supported[24]
Metropolitan	$561.8 million	7,379
Regional	$30.5 million	545
Remote	$3.0 million	12
Total	**$595.3 million**	**7,936**

18. Subsection 22B(a) of the Housing Australia Investment Mandate Direction 2018
19. Works Getting Underway on Queensland's Biggest Ever Social and Affordable Housing Project – Ministerial Media Statements, 19 September, 2024.
20. Projects seeking funding for housing-enabling infrastructure have the potential to support larger-scale housing outcomes.
21. Dwelling information is based on details provided at the time of Housing Australia entering into a contractual agreement with the project proponent and is subject to change.
22. Regions are defined as per the ABS Remoteness Areas under the Australian Statistical Geography Standard (ASGS) Edition 3.
23. For projects that support dwellings in both metro and regional areas, funding is allocated proportionally based on number of dwellings supported in each region.
24. Dwelling information is based on details provided at the time of Housing Australia entering into a contractual agreement with the project proponent and is subject to change. Excludes umbrella facility allocations where location of dwellings supported is yet to be determined.

Ground Lease Model 1 & 2 projects

The Ground Lease Model 1 & 2 projects are part of the Victorian Government's $5.3 billion Big Housing Build initiative, which aims to construct over 9,300 new social homes and 2,900 affordable homes across Victoria. These projects involved an innovative public-private partnership, whereby Homes Victoria retains land ownership, with a consortium financing, designing, constructing and managing the housing.

The NHIF contributed approximately $160 million in funding for housing-enabling infrastructure. This included funding for roads, electricity, gas, water, telecommunications and site remediation to support the renewal of ageing social housing with 2,765 modern, energy efficient homes. The first of the Ground Lease Model 1 homes were completed in early 2024, with residents settling into their new homes in Brighton, Flemington and Prahran.

Most projects and their anticipated housing outcomes are concentrated across the eastern seaboard states. As of 31 December 2024, Victoria has a higher allocation relative to demand, with 47 per cent of social and affordable homes expected under the NHIF, compared to its 29 per cent share of the national housing waitlist.[25] Western Australia, South Australia, and the Northern Territory are relatively underrepresented.

Figure 7: Housing outcomes by committed projects – as advised by applicants, by dwelling use, state and territory[26]

State/ Territory	Social homes	Affordable homes	Market homes	Specialist Disability Accommodation homes	Total homes
NHIF CI					
NSW	501	423	2,148	–	3,072
Vic	1,644	514	793	130	3,081
SA	50	124	214	–	388
Tas	241	–	38	21	300
Total – NHIF CI	**2,436 (36%)**	**1,061 (16%)**	**3,193 (47%)**	**151 (2%)**	**6,841 (100%)**
NHIF SAH					
NSW	33	38	–	–	71
Qld	530	517	25	22	1,094
NT	5	7	–	–	12
Total – NHIF SAH	**568 (48%)**	**562 (48%)**	**25 (2%)**	**22 (2%)**	**1,177 (100%)**
Total – NHIF CI & SAH	**3,004 (37%)**	**1,623 (20%)**	**3,218 (40%)**	**173 (2%)**	**8,018 (100%)**

Housing Australia has made concerted efforts to identify projects in all jurisdictions through direct engagement with prospective applicants, stakeholder forums, and the deployment of Housing Australia staff in jurisdictions such as Western Australia. The lower uptake in some regions may be due to factors such as: state and territory government housing policies; project delivery costs; competition for or lack of appropriate delivery partners (such as project managers or builders with mandatory Work Health and Safety accreditation[27]); and/or differing financial capacities of CHPs across markets. Information provided by applicants indicates 47 per cent of the homes enabled by the funded infrastructure under NHIF CI is attributable to market housing (Figure 7). This is because projects seeking housing-enabling infrastructure funding have the potential to support large-scale housing outcomes for new estates or urban areas across social, affordable and market housing. As such, the end housing outcomes can be achieved in a staged manner and figures provided by applicants at the outset represent long-term estimates.

25. The national housing waitlist is based on the Housing assistance in Australia 2024 report issued by the Australian Institute of Health and Welfare.
26. Dwelling information is based on details provided to Housing Australia at the time of entering into a contractual agreement with the project proponent and is subject to change.
27. Scheme Accreditation | Office of the Federal Safety Commissioner.

Of the total committed funding, 83 per cent of committed NHIF funding will support the supply of apartments, units or high-density dwellings, 15 per cent will support the supply of detached dwellings and 2 per cent will support the supply of terraces or townhouses (Figure 8).[28]

Through the NHIF CI, funding has primarily supported the delivery of roads, electricity and gas, and other housing-enabling infrastructure (Figure 9). A project can support multiple infrastructure types.

Beneficiaries of the NHIF

By unlocking housing supply, the NHIF has supported a diverse range of target tenant cohorts. A single NHIF project may support multiple cohorts, which can change over time as tenants move in and out of the residence. While most funding recipients do not specify a target cohort, nor is it an eligibility requirement under the Investment Mandate, some applicants have projects specifically aimed at supporting particular groups. Over 2,400 new homes across eight committed NHIF projects have been identified by applicants as dwellings prioritised for target tenant cohorts, including First Nations people, women and children leaving family violence, and key workers amongst other cohorts. Housing Australia does not explicitly target any of the aforementioned cohorts, which in turn limits the scope and volume of data collected with respect to cohorts targeted by project proponents.

Evolution of the NHIF

NHIF funded social and affordable housing versus housing-enabling infrastructure

Since the Investment Mandate was amended in November 2022, permitting use of NHIF funds for social and affordable housing projects, there has been a notable increase in approved social and affordable housing projects. This is largely attributable to one larger project which accounts for 60 per cent of approved NHIF funding for social and affordable housing projects. There is continued interest from State and Territory and Local Governments for housing-enabling infrastructure funding.

There is a marked difference in start times between NHIF funded housing-enabling infrastructure and social and affordable housing projects. The median time taken from approval to settlement is 268 days for housing-enabling infrastructure projects and 129 days for NHIF social and affordable housing projects.

Key trends in NHIF uptake since the Investment Mandate was expanded include:

- A notable shift in funding NHIF SAH projects – albeit primarily driven by one larger project
- The slower uptake of housing-enabling NHIF CI projects, potentially due to long lead times, complex development approval pathways, and dependency on broader infrastructure coordination, and that flexibility was introduced to NHIF allowing uncommitted funds to be directed towards social and affordable housing projects
- The availability of some federal and state government housing programs has detracted from potential uptake under the NHIF.

The NHIF's expansion into funding social and affordable projects in 2023 enabled a dual-focus of playing an indirect enabling role for housing supply and directly supporting the delivery of new social and affordable homes.

Figure 8: Homes supported by committed projects – as advised by applicants, by dwelling type

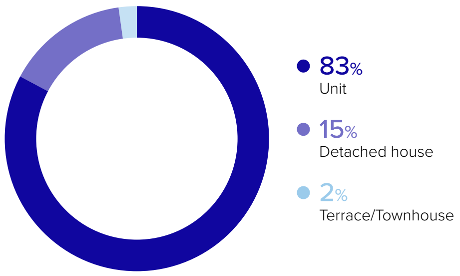
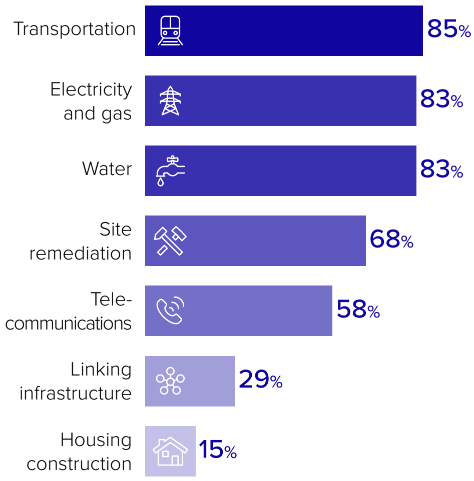


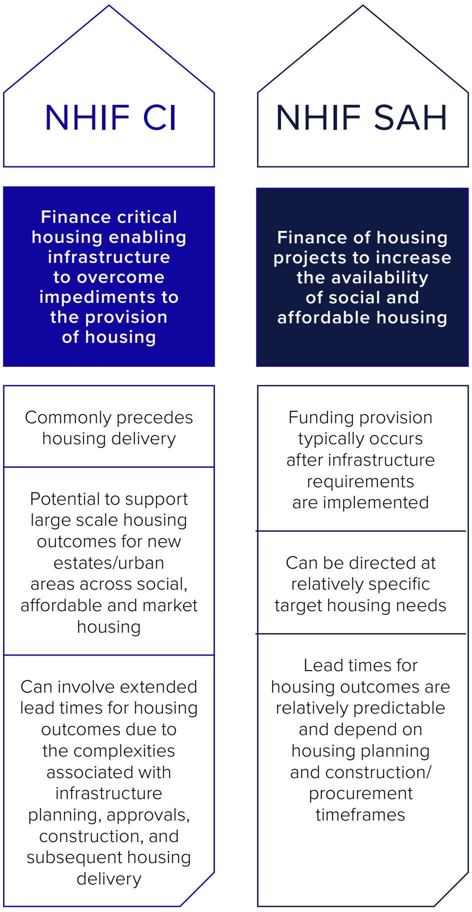
Figure 9: Distribution of committed NHIF funding by infrastructure type



28. Excludes projects where housing density type is yet to be determined. Dwelling information is based on details provided at the time of Housing Australia approving the application and is subject to change.

Trends and insights continued

Figure 11: Functions of NHIF CI and NHIF SAH

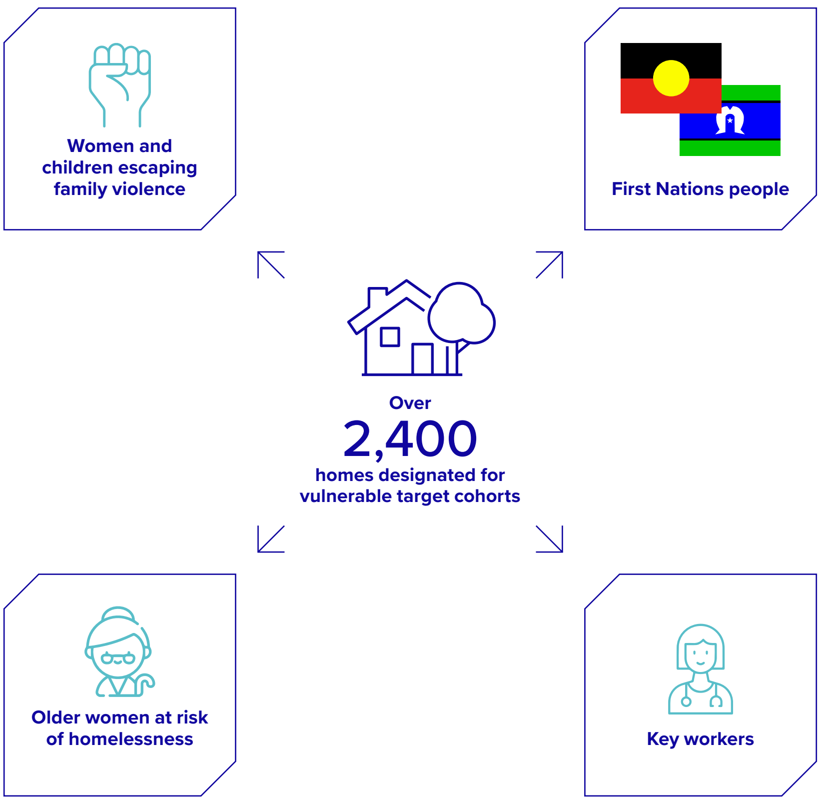


NHIF funding can provide more immediate and direct impact for social and affordable housing projects, including by bridging funding gaps and supporting project viability with lower cost long-term finance. With the direct support of social and affordable dwellings (and other types of housing), projects with committed funding under the NHIF often have lead times for housing outcomes that are relatively predictable.

Housing-enabling infrastructure construction through the NHIF often occurs ahead of the construction of housing and can involve extended lead times to realise housing outcomes, given the complex processes involved in the infrastructure planning, approvals, construction, and subsequent housing delivery. However, infrastructure investment has the potential to support large scale housing outcomes for new estates and urban areas across social, affordable and market housing by addressing community-wide service needs such as water, sewage, roads and telecommunications (Figure 11).

More recent policy initiatives such as the National Housing Accord Facility (NHAF) and the Housing Australia Future Fund Facility (HAFFF) have provided additional direct support for housing projects, with the NHIF CT set to offer added potential for direct funding support in the future.

Figure 10: Committed NHIF portfolio designated for target tenant cohorts



Impact of concessional loans and grants on NHIF

'Concessional loans' refers to loans that offer below-market terms, such as lower interest rates than commercial loans, longer repayment periods and flexible repayment structures tailored to project viability. Grants provide a capital contribution that reduces the overall loan amount required to make a project proceed.

NHIF grants form a critical part of the concessions that Housing Australia can offer to support projects that would be unlikely to proceed or would be likely to proceed only at a much later date, or with a lesser impact on new social or affordable housing (including crisis and transitional housing).

Several factors may have impacted NHIF funding applications:

- **Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF)**: The HAFFF/NHAF introduced new federal funding streams for Eligible Applicants. Collectively, these initiatives aim to deliver 40,000 new social and affordable homes over five years. The HAFFF has impacted demand for NHIF. A number of NHIF projects have been withdrawn and submitted for HAFFF funding. One of those projects that was unsuccessful for HAFFF funding has now been reactivated as a NHIF project.
- **Affordable Housing Bond Aggregator (AHBA)**: The AHBA, operated by Housing Australia since 2019, aggregates capital from a mix of domestic and international institutional investors, such as banks, superannuation funds and asset managers, to provide CHPs with low-cost, long-term concessional loans. This financing structure allows CHPs to access stable debt financing on more favourable terms than commercial bank lending. As of December 2024, $2.8 billion in social and sustainability bonds had been issued since inception. In the 2023–24 financial year, Housing Australia approved $876.8 million in long-term funding to CHPs for more than 2,400 homes and carried out 3 bond issuances, including taps to existing bond programmes with a total value of $484 million.
- **Housing Support Program (HSP)**[29]: The Federal Government's HSP provides Local Government Authorities and States and Territory Governments with grant funding for infrastructure projects, making it an attractive funding option for eligible groups.
- **State-Based Affordable Housing Funds**: Programs such as NSW's SAH Fund, Vic's Social Housing Growth Fund, and Qld's Housing Investment Fund provide targeted subsidies and capital grants for CHPs to improve project viability.

$825m

in concessional loans established in a permanent revolving fund

$173.5m

in grants,[30] which are now almost fully committed to projects

29. Housing Support Program | Department of Infrastructure, Transport, Regional Development, Communications and the Arts
30. A further $1.5 million of grants is allocated to capacity building assistance.

Introduction of the NHIF Crisis and Transitional Housing Facility (NHIF CT)

In response to continued unmet demand for crisis and transitional accommodation, particularly for women and families experiencing domestic violence and youth experiencing or at risk of homelessness, the Investment Mandate was amended in December 2024, providing an additional $1 billion to support crisis and transitional housing projects. A crisis and transitional housing project is a social or affordable housing project that would provide new crisis and transitional housing (whether or not the project would also provide other types of new housing). Crisis and transitional housing means short and medium-term housing provided for women or children who are experiencing family violence, or youth who are experiencing, or at particular risk of, homelessness.

The NHIF CT provides:

$700
million in grants; and

$300
million in concessional loans established in a permanent revolving fund.

The facility is expected to play a critical role in accelerating crisis and transitional housing projects.

Impact of NHIF funding

NHIF funding is proving to be an important source of funding in bringing projects to life that may not otherwise proceed. A key feature is the way in which NHIF funding is being deployed alongside other sources of funding such as State/Territory funding, commercial bank funding, institutional investment and AHBA funding.

NHIF CI funding can provide funding to enable the development of well-serviced communities, by providing roads, utilities and essential services. NHIF SAH directly supports delivery of much-needed social and affordable homes. The introduction of NHIF CT marks a significant step towards addressing urgent housing needs, particularly for crisis and transitional accommodation.

This evolving approach reinforces the NHIF's core mission: to ensure that essential housing projects proceed sooner, at scale and with greater impact than would otherwise be possible.

CHP project profiles

Aboriginal Community Housing Limited (ACHL)

In mid-2023, Housing Australia approved a $3 million NHIF grant to Aboriginal Community Housing Limited (ACHL) and the Kaurna Yerta Aboriginal Corporation (KYAC) to build culturally appropriate independent living for Aboriginal Elders in South Australia. The grant was later increased to $5.15 million in February 2025[31] to assist in closing a funding gap created by a significant increase in the project costs. Kaurna Yerta believe this to be the first purpose-built Aboriginal Elders Village in Australia and have said it will promote independent living in a community setting.

The Purrkanaitya Aboriginal Elders Village south of Adelaide will provide 40, culturally appropriate, one-bedroom living units, plus all the required site infrastructure, to house Aboriginal Elders eligible for social housing.

The Indigenous Land & Sea Corporation provided the land and a grant for the project. In addition to Housing Australia's contribution of around a quarter of the total development cost, construction was also funded by grants from the South Australia Housing Trust, Indigenous Land & Sea Corporation and Community Housing Limited.

Commenting on the grant, Stacey Broadbent, ACHL CEO said, "Aboriginal people want more opportunities and a greater say in housing solutions for their communities, and the ability to influence their own housing needs, priorities, and to have a say in the co-design of place-based housing outcomes.

By collaborating with Housing Australia, we are able to make a real and meaningful impact on housing availability on the ground where it matters. This project is located near a traditional ceremonial meeting place that is still used today and is an important part of the Tjibruke Dreaming. This Village marks a significant leap towards cultural inclusivity and tailored senior living."

Construction will begin in the first half of 2025, with a high level of Aboriginal involvement in the construction process. The $17.7 million development will feature accessible units, each with a kitchen, dining and living room, and separate bedroom and bathroom facilities.

"With housing a critical factor in closing the health and life expectancy gap between Aboriginal and non-Aboriginal people, the Elders Village will make a substantial impact on the lives of its residents and provide access to housing that is affordable, appropriate and supportive of health and wellbeing," said Ms Broadbent.

Elders Village, SA View B from Northeast

Elders Village, SA aerial view

L–R: Stacey Broadbent, Chief Executive Officer, ACHL, Elijah Bravington, Community Development Officer, ACHL, Margaret McCallum, Director, ACHL

31. The report covers the period since NHIF establishment in June 2018 to 31 December 2024. As the increase was approved later in February 2025, the grant increase has been excluded from the reporting.

HousingFirst

A partnership between Housing Australia, Homes Victoria and HousingFirst has supported the delivery of 152 new apartments for over 55s in Melbourne, Victoria.

The $76.7 million project was developed in two stages, offering long-term social housing for the 50 residents previously housed at the site, with the balance of apartments reserved for over-55s on the Victorian Housing Register.

Most of the original tenants moved back in 2023, following the completion of Stage One of the project, which comprises 36 one-bedroom apartments. Stage Two comprises 116 apartments across two buildings and was completed in late-2024, allowing residents to move in early-2025.

The project is primarily funded through the Victorian Government's Big Housing Build 2021 Rapid Round. Housing Australia contributed almost $5 million in grants and loans for each stage for infrastructure works through the NHIF.

Tenant story

"Family and friends have been extremely impressed with my new home."

Mary[32] has lived in the Brighton area all her life, raising three children in the region. However, escalating costs of a private rental put her housing security at risk when she retired as an aged care nurse. Mary was unable to afford to continue renting in the community that had been her home for so long.

A decade ago, Mary came across the over 55s village and has lived there ever since as a long-term resident. Today, she is even more delighted to be housed in the new development managed by HousingFirst.

"I was fortunate that I didn't have to relocate during the development, and I was able to move straight into one of the new places."

"It was a pleasant surprise – it is a beautiful building and much better than we initially thought. The place is all brand spanking new, like living in a hotel, which is lovely. Family and friends have been extremely impressed with my new home," she said.

Mary adapted seamlessly to the new apartment. Her furniture fits in as if it was designed for the space, and she enjoys lovely views from her apartment.

"We are immensely grateful to Housing Australia for their generous financial support. Their contribution has been instrumental in ensuring that more older Victorians can enjoy a safe and secure home, allowing them to stay connected to their communities and receive the support they need as they age."

Jan Berriman,
CEO, HousingFirst

32. Name withheld to protect tenant privacy.

housingaustralia.gov.au