

NSW Community Housing Asset Ownership

Summary of Key Issues

Key Issue	Consideration
Transfer of assets for NIL consideration	<ul style="list-style-type: none"> Asset must be held in a company as defined under the Corporations Act 2001 Provider registration as a Class 1 or Class 2 provider under Housing Act 2001 Appropriate wind up provisions dedicating surplus assets to a registered provider under Housing Act 2001
Providers hold legal title to properties	<ul style="list-style-type: none"> Same level of social housing to be maintained Meet negotiated leverage outcomes to deliver more housing
Responsibility for all management, maintenance and stock replacement costs	<ul style="list-style-type: none"> Operational cost structure capable of delivering cost-effective outcomes Efficient and effective management and accounting systems Staff resourcing capabilities
Government will retain an ongoing interest in the properties	<ul style="list-style-type: none"> Government will register ongoing interest on property title Restricted dealings covenant Compliance with Rent Policy Compliance with Access and Eligibility Policy Must maintain registration as Class 1 or Class 2 provider
Government consent is required for any sale or redevelopment	<ul style="list-style-type: none"> Legislation will provided for the transfer of a registered interest to be transferred to another provider in the event provider registration is cancelled Control framework
Condition to secure private leverage finance	<ul style="list-style-type: none"> Optimum leverage position Rental income projections Debt service cover ratio standards Valuations Loan covenants Loan durations
Expectation that housing supply double over 30 years through private finance and strengthened balance sheet	<ul style="list-style-type: none"> Future housing growth through leverage to meet NSW Affordable Housing Guidelines Comprehensive financial model to support expectations
Property allocations	<ul style="list-style-type: none"> Expressions of interest proposal Formal application process Minimum 35 year financial model Financial outcomes report demonstrating a positive returns analysis