



8 November 2023

Director
Housing Australia Future Fund Unit
Housing Division
Treasury
Langton Crescent
Parkes ACT 2600

By email: housing@treasury.gov.au

Dear Director

Amendments to the Housing Australia Investment Mandate Direction

Ingenia Communities Group (Ingenia, ASX: INA) is one of largest owners, operators and developers of land lease and rental communities in Australia. Ingenia appreciates the opportunity to provide our views on the exposure draft amendments to the National Housing Finance Investment Corporation Investment Direction 2018.

About Ingenia

Ingenia is an S&P/ASX 200 entity with a market capitalisation of \$1.7 billion. As one of Australia's largest providers of innovative housing solutions, Ingenia has, since 2014, been listening to, supporting, innovating and delivering housing solutions to meet a vast array of housing needs in both capital cities and regional locations.

We are an institutional long-term owner, developer, operator, and financier of a \$2.3b portfolio of short and long term housing solutions, and have a track record of delivering innovative, affordable, adaptable and sustainable housing through both modular and traditional construction methods for Australian seniors, all age rental communities and the affordable tourism industry.

Ingenia can scale efficiently and are committed to ensuring Australians have access to safe, stable and affordable housing choices.

Our purpose and vision

We are committed to creating communities where our residents and visitors can truly belong. With a positive impact on more than 11,000 residents every day, our commitment to all stakeholders is to perform with integrity, foster respect for all and build community through continuous improvement in everything we do.

The Group employs more than 1,200 employees dedicated to creating community for all our residents and guests.

Our Portfolio

Ingenia’s portfolio includes over \$2 billion of residential communities, holiday parks and development sites, across over 100 locations. A development pipeline with the potential to add more than 6,000 homes across existing and new land lease communities is currently in place.



Ingenia provides innovative and affordable housing solutions across all four parts of the business:

- Ingenia Lifestyle** caters to the over 55 market segments and has 4,000 homes across 29 land lease communities which provide a hybrid opportunity to both rent the land from Ingenia as the landowner and own your home, making home ownership more affordable with average weekly land rent at c.\$190 per week. The land lease model permits seniors to downsize, release equity to fund retirement, support family to buy or rent, and importantly releases older more affordable housing stock in well serviced locations for first and second home buyers. The land lease price point and model organically attract a proportion of retired key workers across the portfolio

which is set to increase with strategic initiatives and services a large portion of single females seeking secure, connected and affordable communities.

- **Ingenia Rental** provides all-age affordable, secure rental accommodation with facilities and on-site management. It caters to key workers, families and transition housing across over 1,300 homes in 10 communities at an average weekly rent of \$295 with almost zero vacancy. Approvals are in place for a further 140 rental homes which will provide expansion across existing communities.
- **Ingenia Gardens** has 25 seniors' rental communities providing over 1,300 rental homes to seniors (with average age being 76). With average weekly rent of \$370 (underpinned by CRA payments), meal options, age in place support this is a popular housing form with 97% occupancy. Without subsidies and tax incentives, it is not financially feasible to develop these seniors rental communities from the ground up which limits supplies to meet the growing market demand again from largely single female women at risk of homelessness.
- **Ingenia Holidays** is one of the largest portfolio of holiday parks in Australia with a mix of permanent rentals, land lease and rental homes from far north Queensland to Torquay in Victoria. Our portfolio includes 34 parks; over 4,000 holiday cabins or sites; 1,200+ permanent rental homes and 1,600+ annual sites providing 1.7m room nights per annum. Our holiday cabins and rental sites within the holiday parks provide the much needed rental accommodation in regional areas where there is a chronic shortage of affordable rental properties.

What is a land lease community?

Land lease communities are the fastest growing retirement living solution in Australia. A hybrid build to rent and build to sell model, land lease communities offer a simple, transparent contract structure that permits owners to buy their home and rent their land at prices significantly lower than a traditional home and often supported by Commonwealth Rent Assistance.

Ingenia's Submission

Ingenia supports the Federal Government's multi-pronged approach to address Australia's housing crisis, with particular focus on partnering with institutional capital, housing industry participants – both for profit and not-for-profit community housing providers.

The Exposure Draft sets out eligibility for loans and grants to be made by Housing Australia for Housing Australia Future Fund Funding projects and under the National Housing Accord Facility, which includes the requirement for "eligible project proponents". It is our submission that the proposed framework could preclude operators and developers like Ingenia to participate unless we partner with governments and/or community housing providers, notwithstanding we provide critical, safe and secured housing, both short term and long term, to seniors, families, front line staff, transient workers and those in vulnerable situations.

Widening the definitions of eligible participants and projects provide the opportunity for merit based assessment for development projects that should be supported by Housing Australia.

Widening definition of eligible participants and affordable housing

Eligible proponents could include commercial community operators and/or developers that meet certain criteria, for instance, demonstrated ability to develop and/or operate community of affordable housing and/or deliver social impact.

A useful definition of affordable housing could be discount to market required with reference to relativity to moderate to low-income households. For example, that “affordable housing” includes:

- rental housing that is appropriate for the needs of a range of very low to moderate income households with gross income up to [120]% of the relevant median household income for the Statistical Division where the household is located as reported by the Australian Bureau of Statistics; and
- rent charged must not exceed [75]% of market rent; and/or [30]% of gross household income up to [120]% of the relevant median household income.

The suggested formula approach can apply to both rental and land lease communities where rents charged are below market rents in the area and satisfy affordability benchmark to median household income.

Speed to market, replicability and capacity to scale needs to be balanced against the cost, time and uncertainty that will prevail if each project needs to be approved as opposed to the principals being approved.

Application of NCC guidelines for 7 star

Lastly, we note that the requirements in Schedule 1 Part 4A 28E – HAFF projects to meet the energy efficiency and liveable housing design as at 1st Oct 2023 will exclude projects that could be delivered in 2024 – 2025 when requirements were not compulsory.

Adopting project average energy efficiency standards or a lead time before standards are required will prevent exclusion of some immediate projects while setting clear expectations for future projects.

Closing comments

Ingenia are well capitalised and strategically aligned to play an increasing role in meeting Australia’s future housing and accommodation requirements. We have a track record of delivering innovative, affordable, adaptable, and sustainable housing solutions, can scale efficiently and are committed to ensuring Australians have access to safe, stable, and affordable housing choices.

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I would welcome the opportunity to discuss and work with the Government and other stakeholders on how we can all collaborate and partner to help achieve the Government's housing targets. I can be contacted on 0412 389 339 or sowen@ingeniacommunities.com.au.

Yours sincerely

Simon Owen
CEO & Manager Director