

Wednesday, 9th May 2018

Community Housing Integration to Help Address Affordability Crisis

Community Housing Limited has consolidated its position as Australia's largest not-for-profit housing provider by integrating with Horizon Housing, and has vowed to help address the nation's affordable housing crisis.



CHL announced on Monday it was integrating Horizon Housing – Queensland's largest housing provider – into the CHL Group of Companies with the aim of delivering more affordable housing in the state.

The integration is expected to drive growth for the two organisations so that more struggling Australians can secure long-term affordable housing.

CHL currently has a stock base of about 7,000 units, including an estimated 1,400 in New South Wales, 2,000 in Victoria, 1,400 in Tasmania, 1,000 in South Australia, 850 in Western Australia and 160 in Queensland.

Partnering with Horizon Housing will boost CHL's portfolio to more than 11,000 properties by November, making it the largest community housing provider in Australia.

The combined group will manage community and affordable housing properties across six states, with nearly 300 staff delivering services to support disadvantaged people.

Horizon Housing CEO Jason Cubit, said the organisation was excited to be part of the CHL's Group of Companies.

"The integration of Horizon Housing and CHL is an exciting new chapter, as it allows us to pool the expertise and resources critical to improving the lives of the most vulnerable members of the community," Cubit said.

"Our initiatives don't only help families get by in the short-term but empower them to break the cycle of financial stress, aiding a transition into the private rental or property market."

CHL's managing director Steve Bevington, told Pro Bono News that the integration was a "very straightforward" decision for the two entities.

"The political environment in Queensland means they are focusing their funds on public housing and not the community housing sector. So it's a no growth environment and has been a no growth environment for a long time," Bevington said.

"But we want to have the capacity to deliver more stock through to people in Queensland.

"So from our point of view, taking on [Horizon's] portfolio of more than 2,400 in Queensland provides us with this great platform to be able to spread our services into what is a very decentralised state."

Bevington said the new arrangement will allow both organisations to utilise their complementary strengths and drive efficiencies, while also reducing costs and releasing revenue to build more affordable houses.

"Horizon is very geared up for compliance management, probably better than us, and we are very geared up in terms of the development side, and so they can use the capacity of our staffing group in relationship to internal product development and we can use their capacity in terms of compliance and things like that," he said.

"So in the end they end up with about an 8 per cent reduction in operating costs and we probably end up with about 3 per cent, but we were a bigger operation. [This will] release more revenue to be able to build more stock for people."

This integration comes after Anglicare recently revealed a [chronic shortage of affordable rentals](#) across Australia in their latest Rental Affordability Snapshot.

Bevington said the integration placed the organisation in a better position to do more to address this crisis.

"I mean it's a drop in the ocean in terms of what is the need, but all of this is about creating a platform and an organisation which will be able to do more in this space," he said.

"And the more capacity we have, the more we can bring in low cost finance to begin to drive a platform for more affordable housing. That's really the overall goal in the end.

"We would be hoping that our integration will be reflected in consolidation elsewhere and we'll be an organisation even more fit for purpose than we were before, in working with financiers and governments to drive affordable housing growth."

Bevington added that the community housing sector needed to present itself towards a future where it manages 500,000 properties.

"So organisations in the sector need to ask themselves if they are going to be part of a major solution in Australia and what do they need to do to ensure that happens," he said.

"The question needs to be asked by every community housing organisation of note, and they need to position themselves in order to do that. And we certainly see ourselves as doing that."