

A bit of housing justice - the story of HomeGround Real Estate

Rivkah Nissim

15 February 2017

DOI: 10.60836/vemc-z436

Disclaimer: The opinions expressed in this paper are the author's own and do not necessarily reflect the view of APO.

Copyright/Creative commons license: Creative Commons Attribution-Non Commercial 3.0 (CC BY-NC 3.0 AU)

14 pages

Overview

This case study explores HomeGround Real Estate, an innovative model of delivering affordable housing pioneered by HomeGround Services (now Launch Housing) in Victoria.

While most affordable housing initiatives focus on increasing stock of new social housing, HomeGround Real Estate represents an intervention in a sector largely neglected in the housing affordability space – the mainstream private rental market.

Launched in 2014 as “Australia’s first not for profit real estate”, HomeGround Real Estate essentially comprises two streams, commercial and affordable. Through the commercial stream, properties are offered for rent at market rates. The agent commission subsidises the agency’s affordable housing initiative, under which property owners forego a proportion of rental income so the property can be provided at an affordable rate to low income tenants.

A key element of the HomeGround Real Estate model is the unique tax ruling obtained by Launch Housing from the Australian Tax Office. This enables its landlords to claim a concession for the difference between market rent and the affordable rental rate agreed with the agency, regardless of how low that rate is, representing an innovative way of leveraging the tax system to facilitate provision of affordable housing.

The HomeGround Real Estate experience provides valuable insights into the conditions which foster innovation in the not for profit sector and the challenges of growing a profit-for-purpose entity whilst staying true to purpose. Further, it demonstrates the importance of affordable housing initiatives driven by agencies that understand homelessness, are able to work effectively with those in most need of affordable housing and are committed to “housing justice.”

• *Rivkah Nissim works at the Australian Human Rights Commission. This case study was originally written as part of her postgraduate studies at UNSW.*