

Social Enterprise Finance Australia

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Social Enterprise Snapshot

Social home ownership program addresses housing crisis

A social home ownership program managed by Habitat for Humanity Victoria was boosted by a \$2million loan from The Affordable Housing Loan Fund.



Habitat for Humanity, Victoria received the first loan distributed from the Affordable Housing Loan Fund*. The loan will assist with the construction of 13 new homes for low-income families in Greater Melbourne.

The homes will be built in Yea, Geelong and Mornington Peninsula, and will have an average market value of around \$275,000. Construction costs are less than that of similar houses, thanks to 500 hours of sweat equity (labour provided by future owners) and other volunteer labour and donations provided by corporate partners.

The homes are purchased at 95% of the market value using a no interest home loan, with repayments capped at 25% of gross household income. Eligibility is based on income, assets and current standard of living. Most will be partner families on an income below \$50,000 pa, and are likely to be recipients of CentreLink unemployment or disability payments.

SEFA applied an innovative approach to meet Habitat's need for flexibility. Rather than a short-term solution that relies on inflexible mortgages as security, SEFA's funding model follows the growth of Habitat for Humanity, leveraging their successful business model. The loan provides Habitat a pathway to financial sustainability and makes

them less reliant on grants to fulfil their mission.

*The Affordable Housing Loan Fund was established in November 2015 by SEFA and the Lord Mayors Charitable Foundation (LMCF) to address the homelessness and affordable housing crisis in Victoria.



What SEFA says

'Habitat for Humanity provides low income households with more than just a housing solution. It provides families with the opportunity to own their home, providing long-term stability, and the potential for household wealth creation. These aspects can help address current housing stress as well as the potential to break intergenerational disadvantage.'

What LMCF says

'The Foundation is committed to increasing affordable housing and reducing homelessness so it's very fitting that the Affordable Housing Loan Fund's first agreement is with Habitat for Humanity. Having secure housing will provide a stable base for many low-income families and is likely to lead to better educational and employment outcomes and to stronger social networks.'

Catherine Brown CEO

'Low income families deserve access to affordable housing. We believe in the empowerment that flows from home ownership, and the improved long-term outcomes it generates in the areas of education, employment, health and lifestyle for parents and children. This loan will help us increase the pace of construction, and to build more homes.'

Philip Curtis, CEO, Habitat for Humanity Victoria