



Australian Government



**NHFIC**

National Housing Finance  
and Investment Corporation



National Housing Finance  
and Investment Corporation



**Social Bond Report 2022–23**

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### Acknowledgement of Country

NHFIC acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, waters, community, and culture. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



### Colour Bonding

Colour Bonding is an artwork created for NHFIC, by Archibald Prize winning artist, Blak Douglas. It was commissioned by NHFIC as part of our Reconciliation Action Plan journey.

This artwork encapsulates NHFIC's commitment to improving housing outcomes for Australians. The housing structures depicted in the artwork are simple but reflect that housing and a sense of home is a basic human need and fundamental to the wellbeing of all Australians.

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# About NHFIC

NHFIC is a corporate Commonwealth entity established by the Australian Government to improve housing outcomes for Australians.

NHFIC provides long-term and low-cost finance and capability building assistance through the Affordable Housing Bond Aggregator (AHBA) to registered community housing providers (CHPs) to support the provision of more social and affordable housing.

The organisation also lends, invests and provides grants to help finance eligible infrastructure and housing projects needed to unlock and accelerate new housing supply. NHFIC supports eligible home buyers by administering government housing schemes that help them purchase their home sooner and undertakes research data analytics and insights that assists with the performance of its functions.

Since our establishment on 30 June 2018, NHFIC has:

- Approved almost \$3.4 billion in long-term loans to 38 CHPs, supporting over 17,600 new and existing homes and saving these CHPs an estimated \$630 million in interest and fees, as well as other indirect costs associated with refinancing.
- Issued 6 bonds taking its total bond issuance to nearly \$2.2 billion in social and sustainability bonds, including the largest social bond in Australia by an Australian issuer.
- Attracted investment from over 60 domestic and global institutional investors, to promote and grow social and affordable housing as an investible asset class

# Highlights 2022–23



**APPROVED  
\$403.9 MILLION  
OF NEW LOANS  
TO CHPs**

supporting the delivery of 1,463 social and affordable homes.



**PROVIDED  
CHPs, WITH  
AN ESTIMATED  
\$82.4 MILLION**

in interest and fee savings as well as other indirect costs recycled into the sector.

# Message from the CEO

As the leading Australian issuer of social bonds, we are pleased to present the 2022–23 Social Bond Report.



This report provides information and transparency to investors in NHFIC bonds and forms a key disclosure requirement under NHFIC's Sustainability Bond Framework.

The issuance of social and sustainability bonds supports NHFIC in achieving its social purpose, by

attracting capital investment into the community housing sector on an increased scale, and delivering the financing required to increase the supply of social and affordable housing. In addition, NHFIC is increasingly funding new energy efficient buildings that deliver an environmental benefit and reduce heating and cooling costs for social and affordable housing tenants.

NHFIC bonds are unique in the Australian market and attract both domestic and international investors focused on social outcomes in particular those that value the contribution we are making to the Australian housing market. NHFIC has returned to debt capital markets and has a pipeline of loans to CHPs that is expected to support additional bond issuance in 2023–24. We are pleased to show our investors the impact their investments have on the lives of Australians, including vulnerable and at-risk women and First Nations people.

NHFIC's bond program provides critical long-term concessional finance to support CHPs. Given the challenges facing the housing market in Australia, this support for social and affordable housing has never been so important and we are energised about the growth opportunities, and the positive impact that NHFIC and its partners can have in the coming years.

## Implementing the Australian Government's expanded housing policy agenda

In February 2023, the Government introduced a Housing Legislative Package into the Parliament that included renaming NHFIC and establishing the Housing Australia Future Fund (HAFF) as well as supporting the establishment of a sustainable, investable asset class for social and affordable housing.

On 14 September, the Government's Housing Legislative Package passed Parliament creating Housing Australia and establishing the HAFF. Housing Australia is moving forward to deliver 40,000 new social and affordable homes under both the HAFF and the National Housing Accord (Accord). In addition to these programs, the Government will invest an additional \$1 billion in the National Housing Infrastructure Facility (NHIF) for the provision of new social and affordable housing.

NHFIC welcomes the the Government's focus on increasing housing supply and improving housing affordability. We see the new and expanded housing programs as an opportunity to build on the positive social impact that NHFIC has already helped to create, in partnership with all tiers of government (including local), CHPs, faith-based entities, lenders, institutional investors (including superannuation funds), First Nations housing groups, and private sector developers and construction companies.

We look forward to continuing to implement the Government's housing policies so that more people throughout Australia have a place to call home.

**Nathan Dal Bon**  
Chief Executive Officer

Signed 9 October 2023

# NHFIC social and sustainability bonds

NHFIC has issued \$2.195 billion in social and sustainability bonds since inception, consisting of \$1.787 billion in social bonds and \$408 million in sustainability bonds at 30 June 2023 (Figure 2). The amount of debt outstanding has remained stable since the prior financial year. All six NHFIC bonds support social and affordable housing outcomes, in addition to sustainability outcomes achieved by NHFIC’s sustainability bond.

In 2022–23, higher interest rates, inflation and increased construction costs created a challenging macroeconomic environment for CHPs and the housing market more broadly. This has moderated demand for AHBA loans and NHFIC’s bond issuance over the past financial year.

The CHP sector is underpinned by stable cash flows and low vacancy rates and we continue to see activity in this category. Notwithstanding the macroeconomic backdrop, NHFIC has a robust pipeline of loans to CHPs. Increasingly, NHFIC is funding the construction of new social and affordable housing developments. These developments have longer lead times and are usually funded by NHFIC’s line of credit or another financier during the construction phase before being refinanced by a NHFIC bond at completion. This is expected to support increased sustainability bond issuance in future years.

NHFIC has returned to the debt capital markets in 2023–24, and continues to contribute to the growth of Australia’s social bond market and establishing social and affordable housing as a recognised investment asset class. NHFIC intends to continue participating in the Australian debt capital markets at least once per year and build larger, more liquid bond lines over time in response to feedback

from investors. NHFIC has more than 60 institutional investors in our bonds and has built up a core group of repeat investors.

Figures 1 and 2 show NHFIC’s bond maturity profile and cumulative issuance by financial year since inception.

Figure 1: NHFIC bond maturity profile

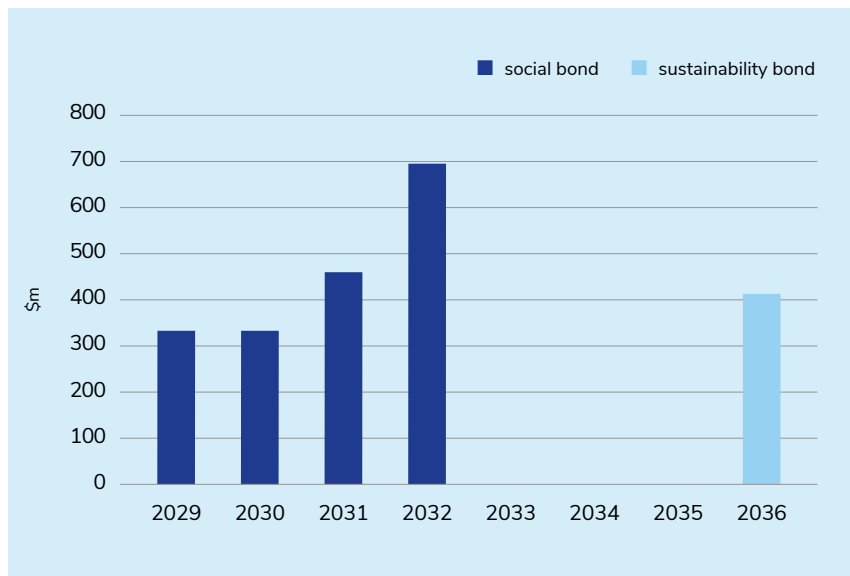


Figure 2: NHFIC bond issuance since inception

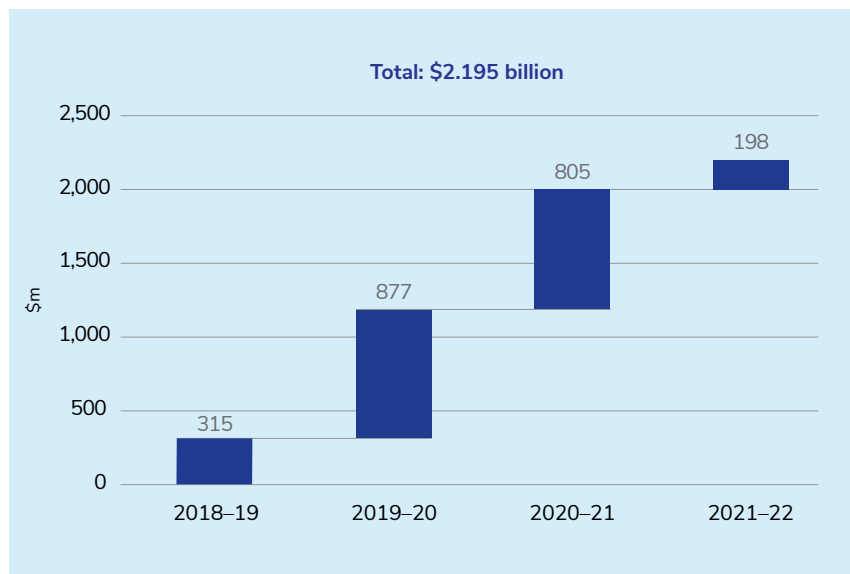


Table 1: NHFIC bonds issuances against the Australian Commonwealth Government Bonds

Issue	Issue date	Tenor (years)	Yield (%)	Price above ACGB benchmark (bps)
Issue 1	28 March 2019	10	2.38	+48.3
Issue 2	27 November 2019	10.5	1.52	+37.8
Issue 3	29 June 2020	12	1.41	+38
Issue 3, tranche 2	28 March 2022	10.25 remaining	3.14	+34.6
Issue 4	2 June 2021	15	2.335	+21.7
Issue 4, tranche 2	30 June 2022	14 remaining	4.725	+58.2
Issue 5	15 June 2021	10	1.74	+21.5
Issue 6	15 June 2021	10	3mBBSW + 18	n/a

## Financial market conditions

NHFIC operated in a higher interest rate environment in 2022–23, as central banks and financial markets responded to higher inflationary expectations. Australian debt capital markets remain liquid, despite ongoing volatility and continued uncertainty regarding the economic outlook, inflation and interest rates.

Long-term bond yields which determine NHFIC's cost of funding and the interest rates we can offer to the CHP sector have increased compared to the prior year, with the 10-year Australian Commonwealth Government Bond yield at 4.03% at 30 June 2023. The interest rate premium that NHFIC is required to pay over the relevant government bond yield to attract investors has decreased since 2022.

The continued development of the social bond market in Australia and demonstration of the important social impact that NHFIC bonds are having on the lives of Australians is critical to facilitating greater private and institutional investment in community housing and to the operation of the AHBA. In this year's Social Bond Report, NHFIC provides additional information on the development of the CHP sector and has enhanced its social impact reporting.

## Social and sustainability bonds explained

### What is a social bond?

Social bonds are any type of bond instrument where the proceeds, or an equivalent amount, will be exclusively applied to finance or re-finance in part or in full new and/or existing eligible social projects and which are aligned with the four core components of the Social Bond Principles.

ICMA, Social Bond Principles, 2023

NHFIC issues social bonds to support its mandate of improving housing outcomes for Australians, with an emphasis on low-income and vulnerable Australians and affordable housing.

### What is a sustainability bond?

Sustainability bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance a combination of both Green and Social Projects.

ICMA, Sustainability Bond Guidelines, 2021

NHFIC issues sustainability bonds where it is financing a combination of eligible social projects and energy efficient, green buildings.





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## Additional information

### Unallocated proceeds

All bond proceeds have been allocated to CHPs that meet NHFIC's Sustainability Bond Framework eligibility criteria.

### Undistributed proceeds

As at 30 June 2023, all bond proceeds have been allocated and fully distributed.

During 2022–23, NHFIC had \$15.7 million of undistributed proceeds from the bonds issued on 30 June 2022 in relation to AHBA loans for City West Housing. NHFIC has since distributed the proceeds following receipt of a valid utilisation notice, and satisfaction by the Borrower of all conditions prior to first utilisation under the finance documents.

### Independent assurance

All NHFIC social and sustainability bonds are independently verified by Ernst & Young (EY) as aligning with international social bond principles (SBPs): Green Bond Principles (GBPs) and Sustainability Bond Guidelines (SBGs), as outlined by the International Capital Market Association (ICMA). EY's annual reasonable assurance report in this regard is available in Appendix C of this Social Bond Report.

EY's procedures assess NHFIC's Sustainability Bond Framework against accepted market principles (e.g. ICMA's Social Bond Principles and Sustainability Bond Guidelines) and market practices and expectations from the investment community. The scope of the EY assurance engagement is akin to a Second Party Opinion and an annual review of existing bonds against the framework.

### Credit quality

NHFIC's loan portfolio remains healthy and resilient with no incidents of credit default and there is an active focus on continuous and agile management. The strong credit quality of the loan portfolio has been achieved by ongoing, early engagement with clients, NHFIC's prudent yet balanced assessment of new credit applications and proactive portfolio management. Portfolio stress-testing indicates that NHFIC possesses adequate buffers in terms of the broader credit quality of its loans, while regular assessments of the liquidity and solvency of NHFIC's CHP client base also indicate limited concerns in relation to clients' ability to comply with loan covenants.

We recognise that credit risk conditions remain challenging. Interest rates have risen considerably over the last year, construction costs continue to rise and labour shortages are being experienced in multiple regions. NHFIC remains attuned to these pressures and continually assesses key credit considerations for new and existing exposures. The portfolio is also stress-tested quarterly on salient market and economic factors.

NHFIC continues to actively monitor its loan portfolio and believes its CHP client base remains well placed to navigate and meet the multiple challenges present within the current credit and economic environment.

## NHFIC Investment Mandate & Governance

NHFIC is governed by the requirements and constraints of the NHFIC Act and the National Housing Finance and Investment Corporation Mandate Direction 2018 (Investment Mandate), that outlines the objective and eligibility criteria for the AHBA. The objective for NHFIC is to provide lower-cost and longer tenor loans for CHPs compared to alternative sources of finance through the operation of the AHBA. NHFIC achieves this by issuing Australian Government guaranteed social and sustainability bonds in debt capital markets at a larger scale and different terms than could be achieved by individual CHPs. The savings are passed on through cheaper NHFIC loans to CHPs enabling them to improve housing outcomes via the provision of social and affordable housing. AHBA loans can only be provided to registered CHPs that are regulated under a State or Territory law or scheme.

## Social housing and affordable housing

‘Affordable housing’ and ‘social housing’ are two distinct categories of housing assistance.

- In general, ‘affordable housing’ refers to housing provided to low to moderate income earners, whose incomes are insufficient to enter the private market. Affordable housing rents are typically set at a discount to market rent, or as a proportion of gross household income. However, there can be different eligibility requirements, such as being a key worker. Affordable housing is usually managed by ‘not-for-profit’ CHPs.
- ‘Social housing’ is government-subsidised housing for people on low incomes. It includes public housing (housing provided and managed by a state/territory government), state-owned and managed First Nations housing, community housing and First Nations community housing. Rents are usually set as a proportion of household income.

## NHFIC’s Sustainability Bond Framework

NHFIC’s Sustainability Bond Framework enables it to fund social and affordable housing projects and/or green buildings through the issuance of social and sustainability bonds that are aligned with the United Nations Sustainable Development Goals (UN SDG) and ICMA principles.<sup>1</sup>

			
		<b>UN Sustainable Development Goals</b>	<b>NHFIC SBP project categories</b>
<b>SOCIAL BOND</b>	 	<p><b>No poverty</b> Target 1.4 Ensure access to basic services ownership and control over land and other forms of property</p> <p><b>Sustainable cities and communities</b> Target 11.1: Make cities and human settlements inclusive, safe, resilient and sustainable</p>	Affordable housing
<b>SUSTAINABILITY BOND</b>	     	<p><b>No poverty</b> Target 1.4 Ensure access to basic services ownership and control over land and other forms of property</p> <p><b>Clean water and sanitation</b> Targets 6.3, 6.4 and 6b: Improve water quality by substantially increasing recycling and safe reuse; increase water-use efficiency; and improve water and sanitation management</p> <p><b>Affordable and clean energy</b> Targets 7.3 and 7a: Promote investment in energy infrastructure and clean energy technology; improve energy efficiency</p> <p><b>Industry, innovation and infrastructure</b> Target 9.4: Upgrade infrastructure to make it sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies</p> <p><b>Sustainable cities and communities</b> Target 11.1: Make cities and human settlements inclusive, safe, resilient and sustainable Target 11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all Target 11.3: Enhance inclusive and sustainable urbanisation and capacity for sustainable human settlement planning and management Target 11.6: Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and other waste management</p> <p><b>Responsible consumption and production</b> Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	Affordable housing Green buildings Energy efficiency Pollution prevention and control Clean transportation Sustainable water and wastewater management

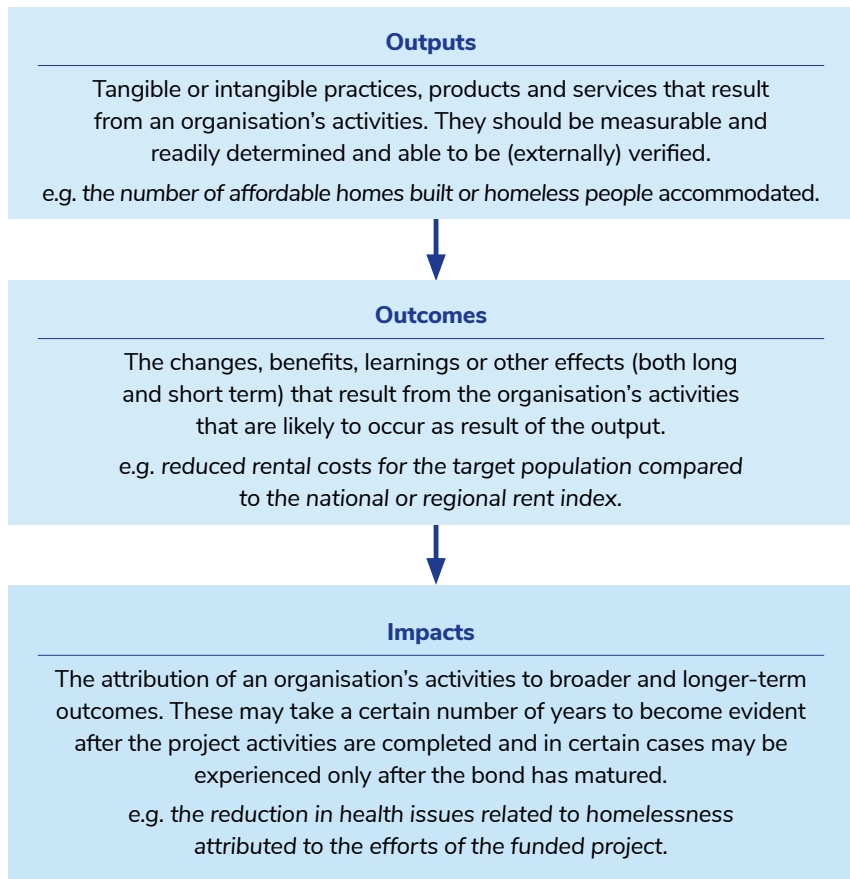
1. ICMA social bond principles and sustainability bond principles available at [icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/](https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/)

# Social impact metrics

There are several ways to measure the impacts of social bonds.

NHFIC previously relied on a framework developed in conjunction with the Australian Housing and Urban Research Institute (AHURI). This focused on the outcomes for CHPs from NHFIC finance, such as reduced interest and refinancing costs. NHFIC is now increasingly looking to internationally recognised frameworks to measure outcomes.

Figure 3: Impact measurement reporting



Source: ICMA Framework for Impact Reporting for Social Bonds, 2023.<sup>2</sup>

The ICMA recommends that issuers should report outputs, outcomes and/or impacts of projects financed by social bond proceeds (either on a project level or on a portfolio level throughout the life of the social bond). ICMA's Social Bond Working Group has acknowledged that while the purpose of social bonds is to finance projects with a positive impact, this can be measured through either output, outcome and impact indicators, which can be used to track (positive) results as well as potential negative impacts or missed targets.

This approach is consistent with feedback provided to NHFIC by investors, who have indicated they would appreciate receiving holistic reporting on the broader economic and social results of NHFIC funding to CHPs, and the benefits to tenants.

In line with ICMA's approach, NHFIC has established the following outputs for ongoing reporting.

2. ICMA Framework for Impact Reporting for Social Bonds, 2023 available at [icmagroup.org/sustainable-finance/impact-reporting/social-projects](https://icmagroup.org/sustainable-finance/impact-reporting/social-projects)

Table 2: New social and affordable homes supported by NHFIC social and sustainability bonds

Financial year	FY19	FY20	FY21	FY22
	154	1,137	2,153	715
Bond 1	✓			
Bond 2		✓		
Bond 3		✓		
Bond 3 – Tap				✓
Bond 4			✓	
Bond 4 – Tap				✓
Bond 5			✓	
Bond 6			✓	

Source: NHFIC

Note: Financial years relate to bond issuance years.

Table 3: Existing social and affordable homes supported by NHFIC social and sustainability bonds

Financial year	FY19	FY20	FY21	FY22
	1,403	4,033	2,776	17
Bond 1	✓			
Bond 2		✓		
Bond 3		✓		
Bond 3 – Tap				
Bond 4				
Bond 4 – Tap				✓
Bond 5			✓	
Bond 6			✓	

Source: NHFIC

Note: Financial years relate to bond issuance years.

Table 4: New vs existing social and affordable homes supported by NHFIC social and sustainability bonds by state and territory between 2018–19 and 2021–22

State	New social and affordable homes	Existing social and affordable homes
WA	120	117
SA	96	481
Qld	15	67
NSW	1,913	4,728
Vic	1,735	2,791
Tas	280	45
<b>Total</b>	<b>4,159</b>	<b>8,229</b>

Source: NHFIC

Note: Financial years relate to bond issuance years.

As NHFIC continues to grow, it continues exploring the collection of NHFIC data to inform additional output measures, including data on number of homes allocated to vulnerable groups including at-risk women and First Nations people, and number of homes with discounted rent.

The outcomes from CHPs funded through NHFIC bond issuances are outlined in Table 5.

Table 5: Outcomes of social and affordable housing

Outcomes	Evidence
<b>Improved housing stability for those accessing NHFIC supported housing</b>	Tenants in community housing are much more likely to remain in their home for 5 years or more than those renting in the private market, with Census 2021 data indicating 53% of households are living at the same address as 5 years previously, compared to 18% for those renting through a real estate agent. <sup>3</sup>
<b>A reduction in rental stress for those accessing NHFIC supported housing</b>	People living in community housing in Australia are also less likely to be in rental stress than people reliant on the private rental market. In 2021–22, an estimated 3.9% of low-income households in community housing were in rental stress. <sup>4</sup>
<b>Additional levels of social and affordable housing stock in Australia associated with a reduction in financing costs for CHPs</b>	It is estimated in 2022–23 that there has been \$82.4 million in savings to CHPs in interest charges and reduced fees, over the life of the approved loans.

Source: ABS Census of Population and Housing, 2021 and Productivity Commission, Report on Government Services 2023, Chapter 18, 18A.25.

3. At this stage this data is not available for NHFIC supported properties only.

4. Productivity Commission, Report on Government Services 2023, Chapter 18, 18A.25. At this stage, this data is not available for NHFIC supported properties only.

Table 6: Expected social impacts of NHFIC's social bonds

Social Impacts	
<b>At a tenant level</b>	Improved economic, health and educational outcomes for those in NHFIC supported social and affordable housing.
<b>At an Australia-wide level</b>	Reduced levels of housing affordability stress and homelessness and improved access to social and affordable housing.

Some of the expected social impacts of NHFIC's social and sustainability bonds are outlined in Table 6.

At a household level, tenant impacts (such as improved education, justice and health outcomes) can be attributed to a range of factors outside of housing. As such, some caution needs to be applied in terms of attributing specific outcomes to housing type. However, there is a range of academic research available on how factors such as the tenure, affordability and quality of housing combine to produce outcomes for households in relation to, for example, health, employment and education. NHFIC is continually looking to improve the way outcomes and impacts can be measured.

The Australian Bureau of Statistics has developed the Multi-Agency Data Integration Project (MADIP)<sup>5</sup> which is a secure data asset combining information on health, education, government payments, income and taxation, employment, and population demographics (including the Census data) over time. The potential benefits of drawing on MADIP include helping to create longitudinal datasets to measure tenant outcomes in terms of housing stability and reduction in rental stress, as well as longer-term social impacts on health, education and employment after people move into affordable and secure housing.

The broader impact of NHFIC loans on housing outcomes in Australia will be incremental and mediated by a range of contextual factors, including interest rates, inflation, economic growth, unemployment, natural disasters, house prices, number of private rental properties, constructions, and new loan approvals for development, availability of finance for the wider market, and changing policy conditions for housing support (e.g. Disability Support Payments and Commonwealth Rent Assistance).

5. Being renamed 'Person-Level Integrated Data Asset' (PLIDA).

## Development of the CHP sector in Australia

The CHP sector remains small relative to the size of the sector in other jurisdictions such as the UK, but has been growing strongly since the turn of the century. The late 1970s and early 1980s saw the development of state led community housing initiatives in several jurisdictions in Australia. The community housing sector continued to grow through the 1980s, however it remained fragmented and uncoordinated.<sup>6</sup> The National Housing Strategy in the early 1990's endorsed the sector as a tenure option for low-income and special needs households and recommended that additional funds be provided by the Commonwealth for property acquisition and the development of infrastructure to support the sector's organisational capacity. Additional funding and infrastructure provided the impetus for consolidation of the sector and the development of peak bodies through the late 1990s and 2000s.<sup>7</sup> It was during the 2000s, and particularly in the latter part of that decade, that the community housing sector grew significantly, as a result of transfer of stock from public rental as well as new growth supported through specific government programs.

- Across Australia, 21,279 public housing homes were transferred from government to not-for-profit housing providers between 1995 and 2012 (of which 72% were management transfers and 28% title transfers), including as part of the Social Housing Initiative (see below).<sup>8</sup>
- Much of the new growth in community housing related to the stimulus package post the 2008 Global Financial Crisis.<sup>9</sup> Specifically, the joint Commonwealth-State Social Housing Initiative was a 2008 economic stimulus measure which, according to a KMPG report on the program, resulted in over 19,000 new social homes being built between 2008 and 2013.<sup>10</sup>
- The National Rental Affordability Scheme (NRAS), implemented in 2008, also contributed to growth in the sector. NRAS offered a financial incentive (in the form of a refundable tax offset) to private investors and community organisations to provide newly built rental housing for low-and moderate-income households, let at below market rents for 10 years.<sup>11</sup> The Community Housing Industry Association (CHIA) analysis found that in June 2021, around 12,000 affordable homes under the NRAS were being provided by registered CHPs, representing 37% of all NRAS-funded rental housing.<sup>12</sup>

6. Hal Bisset and Vivienne Milligan, with assistance from Barbara Livesey, National Community Housing Forum, October 2004, *Risk Management in Community Housing. Managing the challenges posed by growth in affordable housing.*

7. Hal Bisset and Vivienne Milligan, with assistance from Barbara Livesey, National Community Housing Forum, October 2004, *Risk Management in Community Housing. Managing the challenges posed by growth in affordable housing.*

8. Pawson, H., Milligan, V., Wiesel, I. and Hulse, K., *Public housing transfers: past, present and prospective*, AHURI Final Report No.215. Melbourne: Australian Housing and Urban Research Institute, 2013.

9. Groenhart, L. and Burke, T., *What has happened to Australia's public housing? Thirty years of policy and outcomes, 1981 to 2011*, 22 December 2014, *Australian Journal of Social Issues*.

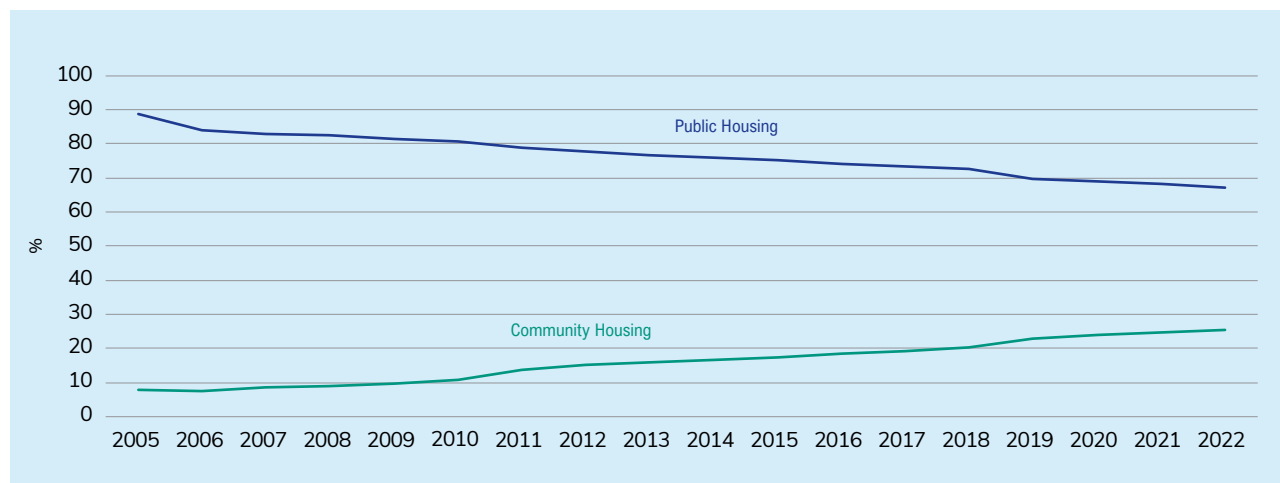
10. Submission to: Select Committee on Social, Public and Affordable Housing Legislative Council Parliament of NSW Prepared by A/Prof Vivienne Milligan, Prof Hal Pawson & Prof Bill Randolph City Futures Research Centre Faculty of the Built Environment UNSW, Kensington NSW with Dr Judith Yates (University of Sydney), February 2014.

11. Submission to: Select Committee on Social, Public and Affordable Housing Legislative Council Parliament of NSW Prepared by A/Prof Vivienne Milligan, Prof Hal Pawson & Prof Bill Randolph City Futures Research Centre Faculty of the Built Environment UNSW, Kensington NSW with Dr Judith Yates (University of Sydney), February 2014.

12. CHIA, *Australia's Community Housing Industry in Profile, 2020–2021*.



Figure 4: Community and public housing as a proportion of all social housing (%)



Source: AIHW, Housing Assistance in Australia 2023, Social Housing Dwellings, Table 1.

Although it is growing, the CHP sector in Australia is still small. In 2020–21, there were 122,000 social and affordable housing tenancies managed by the 100 largest CHPs. Of these, nearly 40,000 were owned by a CHP (rather than being managed on behalf of another party). CHIA has estimated approximately 83% of tenancies were forms of social housing.<sup>13</sup>

By jurisdiction, CHIA indicates that:

- NSW has by far the highest number of community housing homes by jurisdiction, at 47.4%. This is followed by Vic, with 18%.
- Both the ACT and NT have reasonably small numbers of community housing homes.
- NT does however have larger numbers of public housing, 'state owned and managed First Nations housing' and 'First Nations community housing'.
- ACT social housing is dominated by public housing, which comprised nearly 92% of all social housing in 2022.<sup>14</sup>

Overall levels of social housing in these jurisdictions as a proportion of occupied private homes ranges from 3% in Vic, to 18% in NT. Nationally the proportion is approximately 5%. As a proportion of total housing, community housing in Australia remains low, housing approximately 0.8%–1.2% of households in Australia (depending on data used).

Recent events suggest that the CHP sector is likely to grow. Property transfers, where social housing owned and managed by the states/territories is transferred to community housing providers, (for management only, or ownership and management) continue in many jurisdictions. For example, between 2018–19 and 2021–22, 14,023 homes were transferred in NSW, and 2,224 homes were transferred in Tas, reflecting jurisdictional policies on growing the CHP sector.<sup>15</sup> These transfers, combined with access to increased funding for the sector through the Accord and HAFF, should result in continued growth in the sector, in line with the trajectory of other similar countries.

13. CHIA, Australia's Community Housing Industry in Profile, 2020–2021.

14. AIHW Housing Assistance in Australia 2023, Data, Social Housing Dwellings, Table 2.

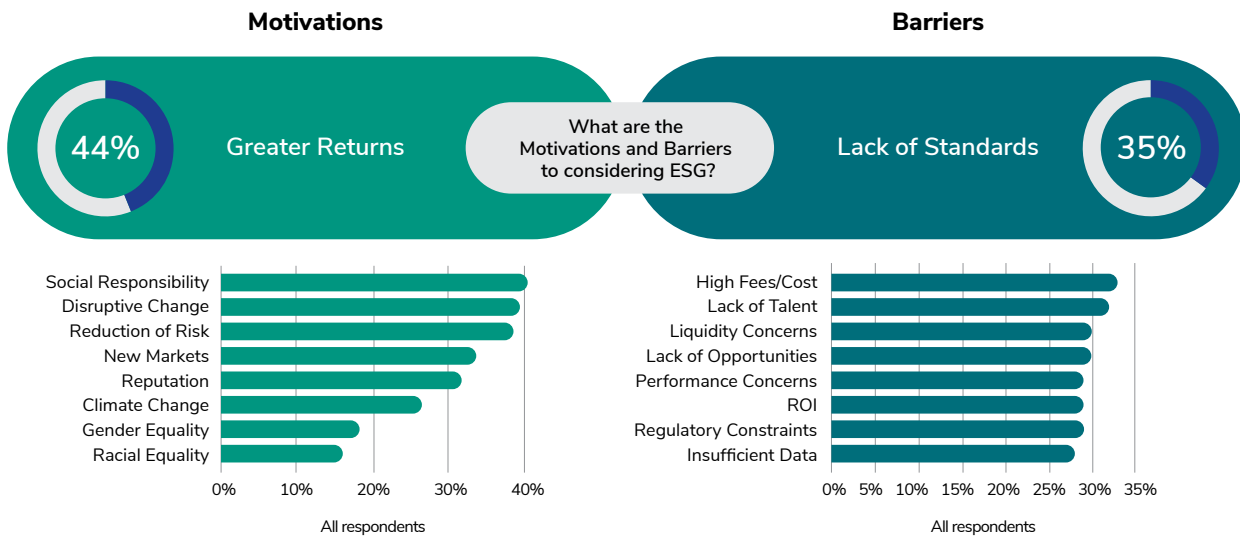
15. Productivity Commission, Report on Government Services, Housing, Table 18A2, Property Transferred from State and Territory Housing Authorities to community housing organisations, updated January 2023.

## ESG reporting standard

Last year's Social Bond Report reported on the development of an industry-led Environmental Social and Governance (ESG) reporting standard. NHFIC's support for the sector's development and adoption of consistent reporting on ESG issues, via the standard, positions the industry to better diversify and expand its capital base.

Global ESG assets are expected to reach around \$50 trillion by 2025, representing more than a third of the projected \$140.5 trillion in total global assets under management. Studies have also shown that the greatest barrier to considering ESG issues are a lack of defined standards<sup>16</sup>.

Figure 5: Motivations and barriers to considering ESG



Source: Bloomberg, The Future of ESG reporting

16. The Future of ESG Reporting available at [sponsored.bloomberg.com/finance/article/mubadala/the-future-of-esg-investing](https://www.bloomberg.com/finance/article/mubadala/the-future-of-esg-investing)

In March 2023, the Hon Julie Collins MP, the Minister for Housing, Minister for Homelessness and Minister for Small Business, launched the ESG reporting standard, which provides a consistent framework for reporting ESG issues within community housing. The standard ensures reporting across 41 key metrics and 12 themes, covering ESG issues.<sup>18</sup> So far, 10 CHPs have adopted the Australian ESG reporting standard, with many more expected in the coming 12 months.

### Structure of the ESG reporting standard

There are 41 criteria represented under 12 themes:

ESG Dimension	Theme
Environmental	E1 Climate Change
	E2 Ecology
	E3 Resource Management
Social	S1 Affordability and Security
	S2 Building safety and quality
	S3 Resident Voice
	S4 Resident Support
	S5 Placemaking
Governance	G1 Corporate and Governance
	G2 Board and Trustees
	G3 Staff Wellbeing
	G4 Supply Chain

Source: CHIA, An ESG reporting standard for Australian Community Housing, 2023

### Background

Lenders and investors worldwide are increasingly requiring that the assets they invest in provide both a sound commercial return and positive ESG outcomes.

To tap into institutional investment, the community housing sector needs to deliver appropriate risk adjusted returns, as well as have a positive impact on sustainability, to people's live and livelihoods, to liveable places, and to productive economies.

### Success factors

- Growth of the number of adapters and endorsers over time
- Transition of voluntary to recommended use over time
- Transition of self-certifying to external verification over time
- The reporting standard stays current by raising the bar periodically
- A governance structure to demonstrate stewardship of the reporting standard<sup>17</sup>

### What the Standard does

- ✓ Expands and diversifies available funding sources
- ✓ Provides access to financial benefits: lower borrowing cost and favourable loan covenants
- ✓ Helps the sector consistently and credibly report on the social and environmental impact it creates

### What the Standard needs

- ✓ Alignment with existing global frameworks and standards
- ✓ Regular feedback from different stakeholders: community housing organisations, lenders and investors, government (regulatory bodies), and other stakeholders
- ✓ Focused and well-defined quantitative and qualitative ESG criteria to report

### Principles

- ✓ Addresses risk, return and impact for leaders and investors
- ✓ Is transparent, consistent, and comparable
- ✓ Contains quantitative and qualitative criteria that can be independently verified
- ✓ Avoids unnecessary bureaucracy (recurring readily available good quality data)
- ✓ Is usable by all community housing organisations
- ✓ includes financial and non-financial metrics

17. CHIA, An ESG reporting standard for Australian Community Housing available at [communityhousing.com.au/wp-content/uploads/2023/03/DIGITAL\\_CHIA-Brochure.pdf?x95179](https://communityhousing.com.au/wp-content/uploads/2023/03/DIGITAL_CHIA-Brochure.pdf?x95179)



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# Borrower profiles

Information in this section profiles six CHPs supported by approved AHBA loans, funded by NHFIC social bonds across the Australian Capital Territory, New South Wales, Tasmania, and Western Australia.

Where available, we have also included tenant profiles to highlight the stories of Australians whose lives are improved by the work of our community housing partners.



Providing access to safe, secure, and affordable housing for the vulnerable.

## Margaret, a tenant of BaptistCare



**When circumstances changed, and she couldn't continue living with her sister, Margaret applied for social housing. Whilst waiting for a home in Sydney, Margaret settled into accommodation in Urunga on the Mid North Coast of New South Wales, however her health started to deteriorate.**


'I was diagnosed with rheumatoid arthritis, and then after waiting three years, I had a knee replacement. In hospital after surgery, I realised I needed to be closer to my family'.

When she was feeling better, Margaret contacted the State housing office, unsure how long it would take or if it was possible to secure social housing in Sydney. Not long after she received a call from BaptistCare offering her a permanent home in the newly constructed Kitty Doyle apartments in Five Dock, New South Wales.

Close to shops Margaret can walk to public transport and is living now just down the road from her daughter.

'I'm thankful every day that this is my home and everything has worked out. It's such a vibrant and diverse community here. We are all different, but we can come together for BBQs or our weekly yoga classes and craft groups,' said Margaret.

# BaptistCare

 <b>State:</b>	New South Wales & Australian Capital Territory
 <b>Target cohorts:</b>	At-risk (homelessness, domestic and family violence) over 55s, single parent families
 <b>Tenant mix:</b>	Affordable and social



Name	BaptistCare
About	BaptistCare is a leading not-for-profit Christian-based care organisation that delivers person-focused care to older Australians and people living with disadvantage. BaptistCare supports 16,000 residents across 90 sites in NSW and ACT.
Loan value and tenor	\$144 million (12-year fixed-rate interest-only loan)
Loan purpose	\$144 million to support BaptistCare refinance an existing commercial bank loan facility to build 338 units under the NSW Government’s Social and Affordable Housing Fund (SAHF) program.
Geographic concentration	Greater Sydney (Five Dock, Carlingford, Elderslie, Blue Mountains and Central Coast) Regional NSW (Lismore, Goulburn and Newcastle)
Target cohorts	Over 55s, Women
Tenant mix	70% social and 30% affordable  Tenants have access to additional support services to sustain their tenancy and/or increase their economic and social participation including, counselling, group programs and chaplains, no interest loans and aged care services

**‘Savings from NHFIC’s funding of BaptistCare’s social and affordable homes project with the NSW Government will assist BaptistCare in managing a more sustainable housing portfolio and support further investment in the potential development of social and affordable homes.’**

Charles Moore, CEO, BaptistCare



Affordable housing provides certainty and security to tenants, enabling them to achieve their life goals.

## Nicole, a tenant of Bridge Housing



**‘Without access to stable, affordable housing, everything in your life is affected. Housing uncertainty does not occur in isolation, it impacts your ability to find a job, to study and focus on work. It takes over all aspects of life, limiting your true potential,’ said Nicole.**

Whilst experiencing a period of homelessness, Nicole had to put her medical studies on hold and was issued multiple formal warning letters from her employer for ‘last minute, unexplained absences’ despite explaining her personal circumstances.




‘I tried my best not to breakdown from the weight of extreme stress and anxiety and remember thinking – once I can sort out somewhere to live, then I can deal with everything else.’ Nicole was fortunate to find secure housing with Bridge Housing.

‘Their assistance meant I was able to continue my studies without the fear of losing my home. That sense of security is priceless and has empowered me to pursue my dream of becoming a doctor and apply to become a member of AIDA, the Australian Indigenous Doctors’ Association.

‘With secure housing, I can now focus on other issues that I need to deal with. I have a place to call home after long days of hospital placements, lectures, practical sessions, and classes. A place to study and prepare for exams, as well as a safe place to sleep and recharge to do everything again the next day,’ said Nicole.



# Bridge Housing

 <b>State:</b>	New South Wales
 <b>Target cohorts:</b>	At-risk (homelessness), First Nations people, key workers
 <b>Tenant mix:</b>	Affordable and social



Name	Bridge Housing
<b>About</b>	Bridge Housing is a registered Tier 1 Community Housing Provider, providing safe, secure, and affordable homes to people on low to moderate incomes. Bridge Housing manages 3,600 properties across metropolitan Sydney, housing over 5,300 people.
<b>Loan value and tenor</b>	<p>\$76 million comprising of:</p> <ul style="list-style-type: none"> <li>\$51 million (10.5-year fixed-rate interest-only loan)</li> <li>\$25 million (12-year fixed-rate interest-only loan)</li> </ul>
<b>Loan purpose</b>	Support the delivery of 365 social and affordable housing units, providing a secure home for over 600 tenants.
<b>Geographic concentration</b>	Sydney (inner west and western suburbs)
<b>Target cohorts</b>	At-risk (homelessness), First Nations people
<b>Tenant mix</b>	<p>Over the last 12-months Bridge Housing has acquired 5 properties for the purpose of social and affordable housing.</p> <p>The tenant mix for acquisitions completed over the last 12-months are as follows:</p> <ul style="list-style-type: none"> <li>Petersham and Leichardt properties will house social housing tenants, with a particular focus on tenants who have previously been homeless.</li> <li>The Glebe property is targeting First Nations people on low to moderate incomes.</li> <li>The South Granville and Westmead properties provide 30% social and 70% affordable housing at each site.</li> </ul>

**‘In the middle of a housing crisis, access to safe, secure, and affordable housing is critical. When this housing is managed by a community housing provider like Bridge Housing, we not only provide housing, but we also provide access to a range of community development and support programs that assist our residents to meet their life goals.’**

Rebecca Pinkstone, CEO, Bridge Housing



Providing safe, secure, and affordable housing and a sense of belonging within the community.

## Shanice and Corey, tenants of Foundation Housing



### **Foundation Housing tenants, Shanice and Corey and their son were living between rentals and family and friends for three years.**

'We were given two months to find a new rental after our last lease was up which was incredibly stressful. There were at least 20 to 30 people at rental open homes. My partner and I had to take time off work to go to viewings, which was costing us money and put us under financial strain.' Shanice called Foundation Housing. 'We were incredibly lucky as a three-bedroom home had recently become available.'

'Within a week of applying and viewing the house we had secured the rental. It was such a weight off our shoulders. The house met all our family needs. It gave us a sense of freedom and stability that we had not had in a long time.'

The relief and the stress just melted away. We went from being almost homeless to being able to live in our own space and focus on raising our son and being a family again. We are finally settled in the area and our son is in the local school. He has a stable routine and his own room. It feels so good to have our own space and not have to worry about whether we are going to be kicked out or not.

It's so important that places like Foundation Housing continue the work they do as for some it is the only way to get a house and not end up homeless,' said Shanice.



Images L-R: Outdoor living, Cannington development / Mode complex, Cannington development / Living room, Cannington development

# Foundation Housing

**WA State:** Western Australia

**Target cohorts:** Key workers

**Tenant mix:** Affordable



Name	Foundation Housing
<b>About</b>	Foundation Housing is the largest state-based Community Housing Provider in Western Australia, managing over 2,000 affordable homes for around 3,500 residents. Accommodation options provided by Foundation Housing range from lodging, mainstream tenancies, youth housing, share housing, disability housing and affordable housing for key workers.
<b>Loan value and tenor</b>	\$80 million comprising of: \$35 million (10.5-year fixed-rate interest-only loan) \$45 million (10-year fixed-rate interest-only loan)
<b>Loan purpose</b>	\$45 million to support the acquisition of 120 well-located affordable homes across the Perth metropolitan area.
<b>Geographic concentration</b>	Perth (Joondalup, Cannington, Atwell, Como, Mt Pleasant, Scarborough and Wellard)
<b>Target cohorts</b>	Key workers
<b>Tenant mix</b>	100% affordable

**‘The NHFIC loan has eased the burden on the State’s social and affordable wait lists, while housing key and essential workers in properties close to their place of work.’**

Chris Smith, CEO, Foundation Housing



Tenants living in community housing feel more secure and have improved wellbeing outcomes.

## Greg, a tenant of Housing Choices Tasmania



**Born and raised in Tasmania, Greg moved to Burnie to live with his mother before finding private accommodation. While renting, the owners decided to sell Greg's home which raised concerns about the security of the private rental market for Greg.**




Diagnosed with retinitis pigmentosa, Greg is now severely vision impaired and may eventually require live-in care. Greg will eventually become totally blind which reinforced the need for permanent, secure and affordable housing.

Greg applied for social housing and, as a Priority applicant, was offered a home in the newly constructed residential complex in Shorewell Park, Tasmania. 'I am impressed with the quality of the unit, and I love how it gets the sun all day long streaming through my windows,' said Greg.

Greg also appreciates the sense of community the complex affords and 'while the apartments are quite close together, they have been well designed to ensure total privacy.' Greg has a network of friends, and his spacious apartment makes it easy to welcome visitors.

Greg is grateful for his two-bedroom apartment and is planning for the time he will need a guide dog. As he can no longer drive, Greg is thrilled there is easily accessible public transport metres from his home, and he can maintain his independence.

# Housing Choices Tasmania

 <b>State:</b>	Tasmania
 <b>Target cohorts:</b>	At-risk, (homelessness, domestic violence), disability, over 55s, disability
 <b>Tenant mix:</b>	Social

Name	Housing Choices Tasmania
<b>About</b>	<p>Housing Choices Tasmania, part of Housing Choices Australia Group (Housing Choices) is an independent, national, not-for-profit Community Housing Provider that delivers high quality, accessible and affordable housing for people on lower incomes and people with a disability.</p> <p>Housing Choices owns and manages more than 7,000 properties, accommodating over 8,500 tenants in New South Wales, Victoria, South Australia, Tasmania and Western Australia.</p>
<b>Loan value and tenor</b>	<p>\$25 million comprising of:</p> <ul style="list-style-type: none"> <li>\$17 million (12-year fixed-rate interest-only loan)</li> <li>\$8 million (10-year fixed-rate interest-only loan)</li> </ul>
<b>Loan purpose</b>	As part of the Tasmanian State Government's Community Housing Growth program, including construction of 24 medium-density social homes in Shorewell Park, Tasmania.
<b>Geographic concentration</b>	North-West Tasmania
<b>Target cohorts</b>	At-risk (homelessness, domestic violence), over 55s, disability
<b>Tenant mix</b>	<p>100% social.</p> <p>All tenants are selected from the State's housing register.</p>

**'The partnership with NHFIC has provided us with stable, long-term financing that allows us to substantially expand our housing supply to Tasmanians locked out of home ownership and private rentals. We are very pleased to be building on our strong relationship with the Tasmanian Government and NHFIC to help meet the ever-increasing demand.'**

Kim Bomford, General Manager, Housing Choices Tasmania



Providing the vulnerable in our community with a permanent place to call home.

## Jan, a tenant of Pacific Link Housing



**'I had worked 49 years full-time as a teacher, raised a family, contributed to community and church groups. I was settled in a house with a good-sized garden and very supportive friends close by. Through unforeseen circumstances, I was given six weeks to leave the house and find a rental,' explained Jan.**




Despite her efforts, Jan quickly discovered that private rental prices were beyond her reach, leaving her upset and shocked. She applied for social housing but was disheartened to learn that there was a 10–15 year waitlist.

'I was connected to Pacific Link Housing, through the support of BaptistCare. They offered me transitional accommodation through a new program they had recently set up with Women's Community Shelters. This gave me time to gather myself and search for a permanent home.

'Soon I learned about the opportunity to move into a new development by Pacific Link Housing at Belmont. I'm grateful for the chance to make this my home. As someone used to giving rather than receiving, I am truly thankful.'

As the first resident of Fernleigh, Jan appreciates the opportunity to live in a brand new, modern building. With renewed optimism, she looks forward to making connections within her new community and embracing the opportunities that lie ahead.

# Pacific Link Housing

 <b>State:</b>	New South Wales
 <b>Target cohorts:</b>	At-risk (homelessness, domestic and family violence), over 55s
 <b>Tenant mix:</b>	Affordable and social



Name	Pacific Link Housing
<b>About</b>	Pacific Link is a Tier 1 Community Housing Provider that manages 1,000 properties and 2,000 tenants in the Central Coast, Lake Macquarie and Hunter regions of New South Wales. Pacific Link provides affordable and secure housing solutions for those in the community who are in the greatest need.
<b>Loan value and tenor</b>	\$11 million comprising of: \$4 million (12-year fixed-rate interest-only loan) \$7 million (10-year fixed-rate interest-only loan)
<b>Loan purpose</b>	The loan allowed for the reimbursement of equity to acquire 61 apartments at Woy Woy and Canton Beach, as well as land located at Belmont that was developed into new social, affordable and market rental housing units.
<b>Geographic concentration</b>	Central Coast and Lower Hunter regions of NSW
<b>Target cohorts</b>	At-risk (homelessness, domestic and family violence), Over 55s
<b>Tenant mix</b>	Social and affordable, comprising: Woy Woy 65% social, 35% affordable Canton Beach 50% social, 50% affordable Belmont 39% social, 23% affordable, 38% private

**‘The NHFIC funding has been fundamental for Pacific Link Housing’s ambition to build a perpetual development cycle to add to the supply of social and affordable housing. It has meant that instead of selling the new housing we have constructed, we can retain it for long-term rental. This allows the company to build our balance sheet and long-term cashflow security, giving us the capacity to build more housing and pursue our mission.’**



Increasing the supply of long term social and affordable housing to provide security of tenure for tenants and enhance social outcomes.

## David\*, a resident of SGCH

**David\*, a 58-year-old professional actor, moved from a former Housing NSW property in Lavender Bay to SGCH's Gibbons Street, Redfern property. After being diagnosed with Parkinsons Disease, navigating stairs with poor mobility and a walking stick became increasingly difficult at his Lavender Bay home.**

David's worsening condition forced him to cease work and he was approved a transfer on disability grounds to the unit at Gibbons Street. David's new unit was easily modified to suit his mobility needs and he receives a range of support.

'The SGCH team are wonderful and so helpful, they've approved me installing air conditioning, because the heat has an impact on my Parkinson's and makes it worse,' said David.

The train station is across the road and his support worker lives in neighboring Waterloo. With two bedrooms, his carer can stay overnight when required. The Gibbons Street building provides David with an improved quality of life, thanks to its lift access, inner city location and accessibility.

'Lavender Bay was a beautiful area, but it was isolating. It had no balcony and a common shared laundry at the back of the building. I didn't enjoy living there, I felt very confined and only went out to do essential things.

'At Gibbons Street, I am back in the gay community, with actors and friends. It's a great apartment with good amenities and lots of natural light, I'm so grateful to be here.'

With his positive outlook and the 'new ease of life' Gibbons Street has given him, David looks forward to hopefully being able to return to the performing arts.




'It's what I love, what I am good at,' he said. David trained at the National Institute of Dramatic Art (NIDA), has appeared in various TV shows, plays and musicals, and has an Honours degree in Performance. He loves the social side of living in Redfern and was recently able to attend Mardi Gras Fair Day.

David\* adds that he is extremely happy now. 'Anything more [than the life he currently has living at Gibbons Street] is just the icing on the cake.'

\* Name withheld at tenant's request.



# SGCH

 <b>State:</b>	New South Wales
 <b>Target cohorts:</b>	At-risk ( homelessness, domestic violence), omen, First Nations people, over 55s, disability
 <b>Tenant mix:</b>	Affordable and social

Name	SGCH
<b>About</b>	SGCH is a Tier 1 Community Housing Provider that provides affordable and social homes for 11,500 people in 7,000 properties across the Sydney metropolitan region.
<b>Loan value and tenor</b>	<p>\$475 million comprising of:</p> <ul style="list-style-type: none"> <li>\$15 million (10-year fixed-rate interest-only loan)</li> <li>\$210 million (12-year fixed-rate interest-only loan)</li> <li>\$150 million (10-year fixed-rate interest-only loan)</li> <li>\$100 million (10-year variable-rate interest-only loan)</li> </ul>
<b>Loan purpose</b>	<p>The \$15 million loan allowed for the refinancing of existing debt to support 100 homes and build 10 new homes.</p> <p>The \$210 million loan allowed for the refinancing of existing debt to support 305 existing homes and build 235 new homes.</p> <p>The \$150 million + \$100 million loans supported a total of 2,000 homes comprised of 1,548 existing homes and 452 new homes.</p>
<b>Geographic concentration</b>	Greater Sydney
<b>Target cohorts</b>	At-risk (domestic violence, homelessness), over 55s, First Nations people, disability
<b>Tenant mix</b>	Affordable and social



Image: Redfern development

**‘NHFIC has been a game changer for community housing providers like SGCH and for institutional investors. It has created a mechanism to secure long-term, efficient senior debt and encourage larger scale investment into more social and affordable housing.**

**‘For SGCH, the NHFIC financing has allowed us to restructure the group balance sheet, deliver more social and affordable housing and free up our equity to catalyse even more new supply.**

**‘We have also been proud to be part of the AXA IM and SGCH partnership with NHFIC that has catalysed a significant institutional investment into the sector supported by a \$300 million NHFIC umbrella.’**

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# Appendix



## Appendix A: Summary of NHFIC bond issuance to 30 June 2023

	Principal amount (\$m)	Issue date/ settlement date	Tenor	Maturity date	Issue price of the principal amount	Interest / coupon rate (%)	Yield to maturity (%)	Spread to ACGB benchmark <sup>1</sup>	Credit rating	Coupon payable	Bond classification	ISIN
<b>Bond 1</b>	A\$315m	28 Mar 2019	10 years	28 Mar 2029	100 per cent of the principal amount	2.38%	2.38%	+48.3bp	AAA	Semi-annually on 31 Mar and 30 Sept	Social bond	AU3CB0262038
<b>Bond 2</b>	A\$315m	27 Nov 2019	10.5 years	27 May 2030	100 per cent of the principal amount	1.52%	1.52%	+37.8bp	AAA	Semi-annually on 27 May and 27 Nov	Social bond	AU3CB0268746
<b>Bond 3</b>	A\$562m	29 Jun 2020	12 years	29 Jun 2032	100 per cent of the principal amount	1.41%	1.41%	+38bp	AAA	Semi-annually on 29 Jun and 29 Dec	Social bond	AU3CB0272904
<b>Bond 3 (Tranche 2)</b>	A\$133m	28 Mar 2022	10.25 years remaining	29 Jun 2032	84.93 per cent of the principal amount	1.41%	3.14%	+34.6bp	AAA	Semi-annually on 29 Jun and 29 Dec	Social bond	AU3CB0272904
<b>Bond 4</b>	A\$343m	2 Jun 2021	15 years	30 Jun 2036	100 per cent of the principal amount	2.335%	2.335%	+21.7bp	AAA	Semi-annually on 30 Jun and 30 Dec	Sustainability bond	AU3CB0280659
<b>Bond 4 (Tranche 2)</b>	A\$65m	30 Jun 2022	14 years remaining	30 Jun 2036	75.724 per cent of the principal amount	2.335%	4.725%	+58.2bp	AAA	Semi-annually on 30 Jun and 30 Dec	Sustainability bond	AU3CB0280659
<b>Bond 5</b>	A\$362m	15 Jun 2021	10 years	1 Jul 2031	100 per cent of the principal amount	1.74%	1.74%	+21.5bp	AAA	Semi-annually on 1 Jul and 1 Jan	Social bond	AU3CB0280923
<b>Bond 6</b>	A\$100m	15 Jun 2021	10 years	1 July 2031	100 per cent of the principal amount	3mBBSW +18bps	3mBBSW +18bps	N/A	AAA	Quarterly on 1 Jul, 1 Oct, 1 Jan and 1 Apr	Social floating-rate note	AU3FN0061032
<b>Total</b>	<b>\$2,195m</b>											

1. Price compared to ACGB benchmark bond of equivalent tenor at the time the bonds were priced. Note BBSW is not a government bond benchmark.

## Appendix B: Use of proceeds

### CHP loans funded by Bond 1

Issue date: 28 March 2019; Maturity date: 28 March 2029; Volume: A\$315m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
<b>BlueCHP Limited</b>	70	-	\$50m to refinance debt originally used to fund construction and acquisition of 318 homes. \$20m working capital to assist in development of 87 single homes.	Sydney (including Campbelltown, Jordan Springs)	NSW	Single women, single women over 55, single women with children, key workers	41% social, 59% affordable	St Marys complete, Jordan Springs ongoing.
<b>Community Housing Limited</b>	35	-	\$32m to refinance debt originally provided to construct or acquire 160 properties across WA and NSW. \$3m working capital to assist with equity investment in affordable housing projects.	Regional NSW including Port Macquarie and North Gosford. Perth, WA.	NSW	Tenants on low to moderate income, First Nations people, tenants with disabilities, chronic illness and mental health issues	49% social, 51% affordable	N/a
<b>Compass Housing Limited</b>	45	-	Refinance debt that was originally used to assist in the delivery of 404 homes as part of Vested Leverage Program commitment to NSW FACS.	Northern NSW (including The Entrance and East Maitland)	NSW	Tenants with disabilities and on low incomes	69% social, 31% affordable	N/a
<b>Evolve Housing</b>	70	-	\$50m to refinance debt originally used to fund the development of 128 units in Penrith. \$20m working capital to assist in the development of 30 new units and acquire further development sites.	Sydney (including Penrith, Blacktown, Seven Hills, Harris Park)	NSW	Single women over 55, tenants with disabilities, people on low incomes, single women with children, couples over 65	72% social, 28% affordable	Working capital deployed
<b>Hume Housing</b>	35	-	\$30m to refinance debt that was originally used to construct 111 homes in Sydney. \$5m working capital for replacing non-conforming cladding and ongoing maintenance of properties	Sydney (including Telopea, Fairfield, Bankstown, Warwick Farm, Guildford)	NSW	Tenants on low incomes, migrants with English as a second language	58% social, 42% affordable	N/a
<b>UnitingSA Housing Limited</b>	7	-	The \$7 million NHFIC loan has enabled the development of 27 community housing properties across Adelaide, including a six-townhouse development in Kidman Park, nine houses in Kurralta Park, an eight-bed development in Ferryden Park and planning is underway for four single storey homes in Kidman Park.	Adelaide (including Paradise, Purrallowie, Pennington, Findon, Kidman Park)	SA	Tenants on low incomes, refugees, persons with mental health issues and disabilities, single women over 55	68% social; 32% affordable on 53 homes	Kidman Park is nearing completion. Kurralta Park and Ferryden Park are complete.
<b>Unity Housing Company Limited</b>	38	-	\$32.5m to refinance debt originally used to construct and retain 182 units in Adelaide. \$5.5m working capital to assist in the development of 113 homes over the next 10 years	Adelaide and Regional SA (including Port Augusta, Whyalla, Jamestown, Laura and Goolwa)	SA	Tenants on low incomes, tenants with disabilities	30% social, 70% affordable over 385 homes	Projects ongoing
<b>SGCH</b>	15	-	\$10.2m to refinance debt originally used to acquire homes in Sydney. \$4.8m working capital for future site acquisitions and development projects	Sydney (Bankstown and Leumeah)	NSW	Tenants on low to moderate incomes, First Nations people, tenants with disabilities	100% affordable on 100 units	N/a
<b>Total</b>	<b>315</b>	<b>-</b>						

## CHP loans funded by Bond 2

Issue date: 27 Nov 2019; Maturity date: 27 May 2030; Volume: A\$315m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
AnglicareSA Housing Ltd	32	-	Demolition of 14 x 1-bedroom units with communal facilities and car parking and construction of 16 x 2-bed units for social housing residents aged over 55 years. Land acquisition at The Square Woodville West to build 36 new homes. Land acquisition at Thebarton for potential development of a mix use hub including multi-storey affordable and social housing for key workers. Home acquisition to provide shared accommodation for disability social housing clients. \$5.3m from working capital owing for Bowden Rent to Buy Affordable Housing and Mansfield Park land purchase will be paid back to ASA from ASA Housing.	Adelaide metro	SA	Over 55's, people with disabilities, people experiencing or at risk of homelessness, First Nations people, victims of domestic and family violence and vulnerable youth. Percentage for each cohort will be tailored by the final design and home location suitability.	70% social, 30% affordable	Project/ acquisition is complete.
Bridge Housing	51.14	-	\$40 million to refinance previous corporate debt facility which funded developments at Bungarribee, Parramatta and Ashfield delivering 78 additional social and affordable housing homes as well as provide funding for the acquisition of a development site at Dulwich Hill. A further \$11.14 million was used to acquire three complexes at Marrickville (10 units), Ashfield (12 units) and Punchbowl (eight units) providing an additional 30 social housing homes.	Sydney (inner west and western suburbs locations)	NSW	Tenants located in social housing under our Community Housing Leasing Program and on the Social Housing waiting list as high priorities. Affordable Housing is targeted to key workers.	80% social, 20% affordable	N/a
Churches of Christ Housing Services Limited	4.86	-	Refinancing of existing corporate debt secured through the parent entity originally used to construct a 50-unit build-to-rent affordable housing development with an attached community centre.	Kallangur, Queensland	QLD	Affordable housing option for individuals and families living or working in the Moreton Bay region.	100% affordable	N/a
Foundation Housing, WA	35	-	Refinance of debt facility with NAB, originally sourced for the acquisition and development of properties.	Western Australia: primarily inner city / Perth metro areas, with remaining units of accommodation located within regional areas.	WA	Tenants requiring social and affordable housing. Prospective tenants are predominantly matched from the WA Housing joint waitlist to the available units of accommodation based on property and tenant criteria	79% social, 21% affordable	N/a

## CHP loans funded by Bond 2 continued

Issue date: 27 Nov 2019; Maturity date: 27 May 2030; Volume: A\$315m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
Haven; Home, Safe Vic	65	-	Core refinance of \$54.39 million refinance of existing facilities with the Bendigo Bank. Part debt funding of \$5.71 million to enable completion of current housing development projects, including the construction and redevelopment of 99 homes in metropolitan and regional Victoria at an estimated cost of \$31.6 million. General corporate working capital of \$4.9 million towards (directly and indirectly) improve housing outcomes for low-income Victorians.	The properties are in various geographic locations, from the Mornington Peninsula and south-eastern suburbs of Melbourne through to Mildura on the Murray River and everywhere in between, including the regional cities of Bendigo, Geelong and Ballarat.	Vic	People on low to moderate incomes, people with disabilities, those escaping family violence, First Nations people, young adults and people over 55. As participants of the shared Victorian Housing Register (VHR), Haven; Home, Safe (HHS) allocates an agreed percentage of people categorised as 'priority access' or in greatest need to available property vacancies. This cohort is defined by their immediate and urgent housing circumstances, not income	30% social, 70% affordable	Project is complete.
Housing Choices Australia Limited	55	-	Refinance of core debt of \$37 million and \$18 million for the construction of 76 homes in the Melbourne region	Boronia, Newport, Box Hill South, Wantirna, Dandenong, Brunswick West, St Albans, Williamstown North	Vic	People with a disability, older persons, women escaping family violence, households on low to moderate incomes	100% social	Project is complete
HousingFirst and Port Phillip Housing Trust (PPHT)	72	-	Refinance existing debt and build 167 brand new homes across Melbourne and refurbish two buildings in St Kilda	Preston, Box Hill, Rowville and St Kilda	Vic	Individuals and families on the Victorian Housing Register: primarily older people, those living with a disability, and those escaping family violence.	100% from Victorian Housing Register, with a minimum of 75% from the priority list: primarily older people, those living with a disability, and those escaping family violence	Projects at St Kilda, Balaclava and Brighton East (Stage 1) are complete
<b>Total</b>	<b>315</b>	<b>-</b>						

### CHP loans funded by Bond 3

Issue date: 29 Jun 2020 (increased on 28 Mar 2022); Maturity date: 29 Jun 2032; Volume: A\$695m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
<b>Argyle Housing</b>	12	-	Refinance existing loan to lower interest rate with net amount to support affordable housing development and acquisitions in regional NSW	Regional NSW	NSW	Individuals and families with a need for affordable housing	100% affordable	N/a
<b>BaptistCare</b>	144	-	To refinance a CBA Loan Facility originally entered into as part of Social and Affordable Housing Fund (SAHF) 1 to construct 338 social and affordable homes across sites in NSW	NSW: Sydney, Newcastle, Central Coast, Goulburn, Northern Rivers, Blue Mountains	ACT	Older people at risk of homelessness because of the high cost and insecurity of private rental. Single parent families (women who have experienced domestic and family violence)	70% social, 30% affordable	Project is complete.
<b>Bridge Housing</b>	24.86	-	Funding of an acquisition program to acquire approximately 45 additional social housing homes	Sydney (inner west and western suburbs)	NSW	Tenants located in social housing under our Community Housing Leasing Program and on the Social Housing waiting list as high priorities. Affordable Housing is targeted to key workers	80% social, 20% affordable	N/a
<b>Common Equity Housing Limited</b>	50	-	\$37 million for core debt refinance. \$3 million to fund break costs of terminating interest rate swaps and \$10 million to fund the purchase of 23 new properties at Braybrook and Alphington	Metro and regional Victoria: Braybrook and Alphington	Vic	Eligible households will come from the Victorian Housing Register and are likely to cover a broad range of low income and key worker households that require access to safe and secure affordable housing	All households will be allocated off the Victorian Housing Register	N/a
<b>Housing Choices Tasmania</b>	17	-	Refinance of \$7.1m of core debt that was used to fund the construction of 60 properties and \$9.9m for the construction of 170 low-density houses in Devonport and Hobart, Tasmania.	Devonport, East Devonport, Hillcrest, Latrobe, Shorewell Park, Somerset, West Ulverstone, Granton, Rosetta	Tas	The property portfolio is designed to meet the needs of a range of vulnerable cohorts across Tasmania. In particular older women over 55, women escaping family violence, people living with disabilities and/or mobility issues and – those who are homeless or at risk of homelessness	100% social	Projects in East Devonport, Shorewell Park and Somerset are complete. Other projects in construction.

## CHP loans funded by Bond 3 continued

Issue date: 29 Jun 2020 (increased on 28 Mar 2022); Maturity date: 29 Jun 2032; Volume: A\$695m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
<b>Junction</b>	26.14	-	\$8.7 million to refinance existing core debt which was originally used to construct over 140 new affordable homes. New construction of over 340 low and medium density affordable and social housing homes in Adelaide's inner south and Fleurieu Peninsula	Mitchell Park, Morphetville, Plympton, Goolwa, Strathalby	SA	60% of tenants are over 50 years old with 70% being women-led households. Junction is increasingly targeting vulnerable youth through various programs	90% social, 10% affordable	Project in construction
<b>Mission Australia</b>	65	-	Core refinance: \$58.5 million refinance of existing debt which was originally used to purchase 137 homes under Nation Building Leverage commitment targets. Social Housing Management Transfer capital works of \$2 million. An additional \$4.5 million towards part of the Coffs Harbour Development Project	NSW – Kingswood, Forster, Tuncurry, Taree, Toormina, Coffs Harbour	NSW	The majority of homes are for social housing eligible applicants in NSW and are on the NSW social housing register (priority listed). Other cohorts include long-term homeless, families at risk of homelessness and single, older women at risk of homelessness	90% social, 10% affordable	Coffs Harbour Project in construction.
<b>Pacific Link Housing</b>	4	-	Reimbursement of the repayment of a \$2,120,000 loan from a commercial bank that allowed Pacific Link Housing (PLH) to retain 15 affordable housing units for long term rental rather than sell them to retire development project debt. A further \$1,400,000 is allocated towards a 12-unit housing development at Woy Woy on the Central Coast of NSW. The remainder (\$480,000) will be applied for the acquisition of sites for future development projects and general working capital	PLH manages over 1,100 properties across an 8000sq km footprint in the Central Coast and lower Hunter regions, ranging from Woy Woy in the south to Port Stephens and inland to Maitland, across six local government areas	NSW	Older single women and families escaping domestic and family violence	The tenancy mix will comprise affordable and market rental housing, with the final allocation to be determined on completion	Woy Woy project is complete



## CHP loans funded by Bond 3 continued

Issue date: 29 Jun 2020 (increased on 28 Mar 2022); Maturity date: 29 Jun 2032; Volume: A\$695m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
SGCH	210	-	SGCH Sustainability Limited is a subsidiary of the SGCH Group, established as an asset and debt holding special purpose vehicle. During the year, a \$210 million fully drawn facility was put in place with NHFIC enabled to refinance loans to SGCH Sustainability. SGCH Group will refinance its existing debt to support 305 existing homes and build 235 new homes	Metropolitan Sydney: Menai, Mascot, Croydon Park, Miranda, Beverly Hills, Riverwood, Peakhurst, Bass Hill, Carrs Park, Kirrawee, Punchbowl, Fairfield, Cartwright, Westmead, Miller, Liverpool, Redfern and Casula	NSW	Gibbons Street, Redfern has specific targets for First Nations people. Properties developed under the Social and Affordable Housing Fund (SAHF) – will fund social and affordable housing properties, with dedicated targets for older single women, people experiencing family and domestic violence and First Nations people – linked with tailored support	30% affordable, 70% social depending on the development and location	Westmead and Riverwood in construction. Redfern and Casula projects are complete
Women's Housing Limited	9	-	Refinance existing debt of \$5.5 million attached to developments at Bentleigh (49 units), Bayswater (27 units) and Box Hill (seven units). The remaining \$3.5 million will be directed to new development opportunities as they arise and when capital funding becomes available	Metropolitan Melbourne	Vic	Women-headed households – Women and children experiencing family violence, older women (over 55), working women from low to medium income groups	Low-income women, key workers, women on public housing wait list	Pre-construction
Home in Place (previously Compass Housing Services)	114.16	-	To fund the acquisition of properties and associated costs in the NSW Central Coast and Hunter regions under the NSW SAHF agreement	Adamstown, Belmont, Long Jetty, Thornton, Toukley, Wallsend, West Gosford, Wickham	NSW	At-risk (domestic violence, homelessness), women incl single parents	80% social, 20% affordable	N/a
<b>Total</b>	<b>676.16</b>							

## CHP loans funded by Bond 4

Issue date: 2 Jun 2021 (increased on 30 Jun 2022); Maturity date: 30 Jun 2036; Volume: A\$408m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
<b>Building Communities (Vic) Limited</b>	344.3	-	<p>The Building Communities consortium, led by Community Housing (Victoria) Limited (CHVL), was announced as the preferred bidder under the Victorian Public Housing Renewal Program to deliver integrated social, affordable and private housing (built to rent) on three metropolitan Melbourne public housing sites, under an innovative 40-year concessional ground lease structure on Homes Victoria land.</p> <p>The project has a number of additional sustainability features including: NatHERS performance 7 star average; 6 star minimum for any individual apartment; Green star 5 star minimum as built rating; on site renewable energy supply through the provision of solar system; embedded network – equitable distribution of onsite generation and metering and monitoring systems; rainwater harvesting for toilet flushing and landscaping and water efficient fixtures; sustainable transport strategy and carshare solutions.</p> <p>The structure of the model sees CHVL reinvest the returns made over the life of the project into more subsidised housing. Over the span of the 40-year life of the project, the total returns expected are around \$200 million.</p>	Melbourne (Brighton, Prahan, Flemington)	Vic	Diverse / mixed	56% social, 29% private, 10% affordable, 5% supported disability	Projects in construction. Completion in Q1 2024.
<b>Evolve Housing</b>	20.52	-	NHFIC's finance facilitated Evolve's participation in the NSW Community Housing Leasing Program ('CHLP') via financing the acquisition of approx. 200 existing and/or new homes across 5 Western Sydney LGAs to provide Social Housing (i.e. 100%) under the CHLP	Western Sydney	NSW	Mixed including at risk (domestic violence, homelessness), women and single parents	100% social	N/a

## CHP loans funded by Bond 4 continued

Issue date: 2 Jun 2021 (increased on 30 Jun 2022); Maturity date: 30 Jun 2036; Volume: A\$408m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
City West Housing	15.7	-	Construction and term loan financing the development of 74 social and affordable apartments in Waterloo including a small commercial unit and 12 car parks in Waterloo, NSW	Sydney (Waterloo)	NSW	Mixed including women and children at risk of homelessness due to domestic and family violence, single parents and essential workers.	90% affordable, 10% social	Project in construction
Haven Home Safe	9	-	Loan facility supporting Haven Home Safe's participation in the Rapid Grant Round of Victorias 'Big Housing Build' program which consists of 143 homes across 8 sites	Werribee, Tarneit, Preston, Ballarat, Bendigo	Vic	Diverse – Over 55s, disability, at-risk, youth	100% social	Pre-construction
Community Housing (Qld) Limited	4	-	To refinance loans that were originally undertaken to provide 19 social and affordable properties in the Gold Coast City Council LGA in Southeast Queensland	Gold Coast, QLD	QLD	Diverse	92% Affordable, 8% Specialist Disability Accommodation	N/a
<b>Total</b>	<b>393.5</b>							

## CHP loans funded by Bond 5

Issue date: 15 Jun 2021; Maturity date: 1 Jul 2031; Volume: A\$362m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
<b>Common Equity Housing Limited</b>	15	-	<p>Funding will complete the repair and refurbishment of an existing multi-story building, the Ringwood project, consisting of 80 social and affordable homes of two-and three-bedroom apartments. The building is the site of an existing housing co-operative.</p> <p>The balance of funding will be used to support the equity portion of additional social housing that is being provided with grant funding through the Victorian State Government's Big Housing Build initiative.</p>	Melbourne (Ringwood) and other future social housing in Victoria.	Vic	Diverse – Low-medium income people experiencing or at risk of homelessness and disability and victims of domestic violence	100% social and affordable	Ringwood expected to complete in Q3 2023.
<b>Foundation Housing, WA</b>	45	-	To fund the acquisition of 98 affordable housing units, and 12 planned social housing units	Perth metropolitan areas (Joondalup, Perth, Subiaco, Atwell, Cannington, Scarborough, Inaloo, East Perth)	WA	Diverse – A mix of singles, couples and single families	89% affordable, 11% social	N/a
<b>Housing Choices SA</b>	16.5	-	<p>Refinance \$8.36m in core debt and construct 32 social homes.</p> <p>Bowden Project is a partnership with Nightingale Housing, Renewal SA &amp; SA Housing Authority; HCSA is developing a carbon-neutral, 36 apartment complex over six stories. 14 homes have been pre-sold under the NGH ballot system and eligible for HomeBuilder.</p> <p>Felixstow is a 14 homes development as part of the ROSAS contract. SAHA will provide the land to HCSA for the development and on completion HCSA will transfer 8 homes back to SAHA. The remaining 6 will be managed by HCSA under ROSAS with HCSA retaining titles for at least 40 years.</p>	Adelaide (Bowden, Felixstow)	SA	<p><b>Nightingale Bowden</b></p> <p>50% of the development will be sold as affordable homes to singles, couples and small families under the Nightingale Ballot system, with a priority given to key workers, low-income households and First Nations people.</p> <p>50% of the development will be offered for rent as community housing, for singles, couples and small families, with 5 of these homes suitable for people living with disabilities.</p> <p><b>Felixstow</b></p> <p>100% of the development will be offered as social housing, with 43% community housing suitable for older people. 57% of the homes returned to public housing will be suitable for couples and small families.</p>	<p>Bowden: 50% affordable, 14% NDIS, 43% Community Housing</p> <p>Felixstow: 100% social</p>	<p>Bowden complete</p> <p>Felixstow in progress</p>

## CHP loans funded by Bond 5 continued

Issue date: 15 Jun 2021; Maturity date: 1 Jul 2031; Volume: A\$362m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
Housing Choices Tas	8	-	To finance 80 new properties in Tasmania, as part of the Tasmanian State Government's Community Housing Grant Program (Round 2) and Extension.	South and Northwest Tasmania (Oakdowns, East Devonport, Devonport, Shorewell Park)	Tas	The property portfolio is designed to meet the needs of a range of vulnerable cohorts across Tasmania. In particular with focus on: Priority Applicants from the Tasmanian Housing Wait List; people who are homeless or at risk of homelessness; older women over 55; women escaping family violence; and people living with disabilities and/or mobility issues.	100% social	Projects in construction
Mission Australia	67.9	-	The loan will fund the purchase of a 130-apartment building to be used for affordable housing	Macquarie Park	NSW	Diverse – Target cohorts will include affordable housing tenants as well as former social housing tenants transitioning into employment.	New Homes: 8% social, 92% affordable homes	Projects in construction
Pacific Link	7	-	<p>\$3.46m for reimbursement of equity relating to an acquisition of 61 apartments at Woy Woy and Canton Beach. The acquisition allows for 100% ownership of the properties that can be leveraged as security for NHFIC borrowing to underpin the development of new social, affordable and market rental housing.</p> <p>\$1.17m for reimbursement of equity relating to land in Belmont, now being developed as 13 new social, affordable and market rental units</p> <p>\$0.6m refinancing of a commercial banking facility</p> <p>\$1.77m to fund general corporate working capital</p>	Central Coast and Lower Hunter regions of NSW – in the Central Coast and Lake Macquarie LGAs.	NSW	<p>Woy Woy and Canton Beach – housing typically for older singles, eligible for social housing or people on low to moderate incomes who are eligible for affordable housing. Some of the apartments have been allocated for people experiencing homelessness under the NSW Government's Together Homes program.</p> <p>Belmont development (when completed in 2022) will be targeted to older singles (predominately women) and couples.</p>	<p>Woy Woy – 65% social; 35% affordable</p> <p>Canton Beach – 50% social; 50% affordable.</p> <p>Belmont: 38% allocated as social housing, with the balance to be rented as affordable and market rent housing.</p>	N/a

## CHP loans funded by Bond 5 continued

Issue date: 15 Jun 2021; Maturity date: 1 Jul 2031; Volume: A\$362m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
SGCH Group	150	-	Total portfolio of \$250m includes: <ul style="list-style-type: none"> <li>\$120.2m refinancing of existing core debt and associated costs</li> <li>\$23.3m repayment of other loans</li> <li>\$22.7m construction finance to fund existing projects, including associated risk reserves.</li> <li>\$73.7m construction finance to fund new projects</li> <li>\$10.1m debt services reserves</li> </ul>	Sydney (Cartwright, Chippendale, Liverpool, Moorebank)	NSW	At-risk (homelessness, youth), disability, elderly, First Nations people	100% social and affordable (mix)	Project at Riverwood is nearing completion
Unison	53	-	The loan was refinanced from the existing NAB facility to support Unison in the development of new properties underway, new projects and within the Big Housing Build pipeline. At 31 August 2021, these funds are used for the following purposes: <ul style="list-style-type: none"> <li>Core Refinance: \$31m – Refinance existing core debt, a portion used in the construction of 100 new high-density homes in Seddon, Werribee and at 43 Station Street Fairfield</li> <li>Turnkey property \$12.5m – Property identified at 69 Buckley St, Seddon</li> <li>New Construction: construction of new homes approved as part of the Big Housing Build and new partnerships</li> <li>General Corporate Working Capital: Provide an additional working capital to support housing outcomes</li> </ul>	Melbourne (Fairfield)	Vic	Women experiencing or at risk of homelessness, especially single women	100% social	Projects at Werribee and Heidelberg Heights are complete.
<b>Total</b>	<b>362.4</b>							

## CHP loans funded by Bond 6 (Floating rate note)

Issue date: 15 Jun 2021; Maturity date: 1 Jul 2031; Volume: A\$100m								
Name of CHP	Loan amount (\$m)	Undistributed proceeds (\$m)	Loan purpose	Geographic concentration	State	Target cohorts	Tenancy mix	Project status
SGCH	100	-	Total portfolio of \$250 million includes: <ul style="list-style-type: none"> <li>\$120.2m refinancing of existing core debt and associated costs</li> <li>\$23.3m repayment of other loans</li> <li>\$22.7m construction finance to fund existing projects, including associated risk reserves.</li> <li>\$73.7m construction finance to fund new projects</li> <li>\$10.1m debt services reserves</li> </ul>	Sydney (Cartwright, Chippendale, Liverpool, Moorebank)	NSW	At-risk (homelessness, youth), disability, elderly, First Nations people	100% social and affordable (mix)	Project at Riverwood is nearing completion.

# Appendix C: Independent Assurance Report



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## Independent Reasonable Assurance Statement to the Directors and Management of The National Housing Finance and Investment Corporation

### Assurance conclusion

Ernst & Young ('EY', 'we') were engaged by The National Housing Finance and Investment Corporation's ('NHFIC') to undertake a reasonable assurance engagement as defined by Australian Auditing Standards, hereafter referred to as the assurance procedures, to report on the Subject Matter defined below for the year ended 30 June 2023. In our opinion NHFIC's Post-Issuance process, in relation to Social Bonds (Bonds 1, 2, 3, 5 and 6) and Sustainability Bond (Bond 4), as described in NHFIC's Affordable Housing Bond Aggregator's ('AHBA') Sustainability Bond Framework, is presented, in all material respects, in accordance with the criteria defined below.

### Subject Matter and Criteria

The subject matter and associated criteria for the assurance is set out in the table below:

Subject Matter	Criteria
<p>Post-issuance process for NHFIC's Social Bonds (Bonds 1, 2, 3, 5 and 6) and Sustainability Bond (Bond 4) as described in the NHFIC's Sustainability Bond Framework, including:</p> <ul style="list-style-type: none"> <li>▶ Eligibility of assets funded by the Bond, as noted in the Loan Facility Agreements and Implementation Agreements with Community Housing providers</li> <li>▶ Use of proceeds</li> <li>▶ Management of proceeds</li> <li>▶ Reporting on the use of proceeds and performance of the Bond, as disclosed in NHFIC's Social Bond Report</li> </ul>	<p>Social Bond Criteria:</p> <ul style="list-style-type: none"> <li>▶ International Capital Markets Association's Social Bond Principles ('SBPs')</li> <li>▶ Green Bond Principles</li> <li>▶ NHFIC's internal policies and procedures, as documented in NHFIC's Sustainability Bond Framework</li> </ul> <p>Sustainability Bond Criteria:</p> <ul style="list-style-type: none"> <li>▶ International Capital Markets Association's Social Bond Principles ('SBPs')</li> <li>▶ International Capital Markets Association's Green Bond Principles ('GBPs')</li> <li>▶ NHFIC's internal policies and procedures, as documented in NHFIC's Sustainability Bond Framework</li> </ul>

Other than as described in the table above, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

### Key responsibilities

#### NHFIC's responsibility

NHFIC's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

#### EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on the evidence we have obtained.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our approach to conducting the assurance procedures

We conducted our assurance procedures in accordance with the Australian Auditing and Assurance Standards Board's Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ASAE3000') and the terms of reference for this engagement as agreed with NHFIC 16 May 2023. That standard requires that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report.

### Summary of assurance procedures performed

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Conducted interviews with personnel to understand the business and reporting process
- ▶ Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- ▶ Reviewing the policies and procedures in the Framework to assess alignment to the requirements of the SBPs and GBPs.
- ▶ Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- ▶ Tested, on a sample basis, underlying source information to assess the accuracy of the data
- ▶ Testing the eligibility of assets for inclusion in NHFIC's Social and Sustainability Bonds against the Framework and the SBP and GBP.
- ▶ Reviewing the loan purpose and value set out in final loan agreements to Community Housing Providers to calculate the total value of eligible assets
- ▶ Reviewing the allocation and disbursement of net proceeds raised from the Social and Sustainability Bonds to eligible asset
- ▶ Obtaining a Letter of Representation from NHFIC Management
- ▶ Confirming that the NHFIC's Social Bond Report contains the required disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

### Inherent limitations

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

While our procedures performed for our reasonable assurance engagement are of a high level of assurance, due to the use of sampling techniques, it is not a guarantee that it will always detect material misstatements.

### Other matters

Our report does not extend to any disclosures or assertions made by NHFIC relating to future performance plans and/or strategies disclosed in NHFIC's report and supporting disclosures online.

### Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of NHFIC, or for any purpose other than that for which it was prepared

Ernst & Young  
Sydney, Australia  
11 October 2023



## Annex A

### List of eligible assets for the NHFIC's First, Second, Third, Fifth and Sixth Social Bond and Fourth Sustainability Bond<sup>1</sup>

Bond issuance	Eligible Asset	Value as at 11 October 2023 (AUDm)	State	Purpose
Social Bond 1 (March 2019)	BlueCHP Limited	70.0	NSW	Refinancing of core debt and additional capital for development of more affordable housing, including the acquisition of new sites..
	Community Housing Limited	35.0	NSW/ WA	Refinancing of existing debt and additional capital to assist with further developments of affordable housing.
	Compass Housing Limited	45.0	NSW	Savings on refinancing of debt that will assist in funding maintenance and community services.
	Evolve Housing	70.0	NSW	Savings on refinancing of debt that will assist in funding more development and community services. Refinancing of existing debt facility and additional capital for the development of new units and site acquisitions.
	Hume Community Housing Association Co. Limited.	35.0	NSW	Funding to assist with portfolio maintenance, community programs including health education, transition housing, work readiness and potential future development sites. Refinancing of existing debt facility and additional capital for ongoing maintenance of existing portfolio.
	UnitingSA Housing Limited	7.0	SA	Refinancing of existing debt plus extra for the development of new social and affordable townhouses. Funding to assist with development of community housing properties, both social and affordable.
	Unity Housing Company Limited	38.0	SA	Refinancing existing debt facility and additional capital for the construction of development projects.
	St George Community Housing Limited (SGCH)	15.0	NSW	Refinancing of existing debt facility and additional capital for further developments of affordable housing
Social Bond 2 (November 2019)	Anglicare SA Housing Ltd	32.0	SA	Refinancing and repayment of existing debt plus extra to assist with further developments of affordable housing. Demolition of existing facilities and land acquisition for future developments of social and affordable housing.
	Bridge Housing Limited	51.14	NSW	Refinancing of existing debt and additional capital to assist with further developments of affordable housing, including acquisitions and potential future development of sites.

<sup>1</sup> All eligible assets are loans to the named Community Housing Providers (see Table above), as indicated by the final loan agreements reviewed.





Bond issuance	Eligible Asset	Value as at 11 October 2023 (AUDm)	State	Purpose
	Churches of Christ Housing Services Limited	4.86	QLD	Refinancing of existing debt to assist with further developments of affordable housing.
	Foundation Housing Limited	35.0	WA	Refinancing of existing debt to assist with acquisition and development of properties.
	The Haven Foundation Limited	65.0	VIC	Refinancing and repayment of existing debt and additional capital to assist with further developments of affordable housing.
	Housing Choices Australia Limited	55.0	VIC	Refinancing of existing debt plus extra to assist with further developments of affordable housing.
	HousingFirst and Port Phillip Housing Trust (PPHT)	72.0	VIC	Refinancing of existing debt to assist with further developments of affordable housing, including acquisitions and housing refurbishments.
Social Bond 3 (June 2020)	Argyle Community Housing Limited	12.0	NSW	Refinancing of existing debt to assist with further developments of affordable housing and acquisitions.
	BaptistCare NSW and ACT	144.0	ACT	Refinancing a CBA Loan Facility originally entered into as part of Social and Affordable Housing Fund (SAHF) 1 to construct 338 social and affordable dwellings across sites in NSW.
	Bridge Housing Limited	24.86	NSW	Funding of an acquisition program to acquire approximately 45 additional social housing dwellings.
	Community Equity Housing Limited	50.0	VIC	Refinancing of core debt plus extra to assist with further developments of affordable housing, including acquisitions.
	Housing Choices Tasmania	17.0	TAS	Refinancing of core debt plus extra to assist with further developments of affordable housing.
	Junction and Women's Housing Limited	26.14	SA	Refinancing of core debt plus extra to assist with further developments of affordable housing.
	Mission Australia Housing	65.0	NSW	Refinancing of core debt plus extra to assist with further developments of affordable housing.
	Pacific Link Housing	4.0	NSW	Reimbursement of the repayment of a loan from a commercial bank that allowed Pacific Link Housing (PLH) to retain 15 affordable housing units for long term rental rather than sell them to retire development project debt and additional capital to assist with further developments of affordable housing and acquisitions.
	SGCH	210.0	NSW	Refinancing existing debt to support 305 existing dwellings and build 235 new homes.



Bond issuance	Eligible Asset	Value as at 11 October 2023 (AUDm)	State	Purpose
	Women's Housing Limited	9.0	VIC	Refinancing of existing debt plus extra to assist with further developments of affordable housing.
	Home in Place (previously Compass Housing Services)	114.16	NSW	To fund the acquisition of properties and associated costs in the NSW Central Coast and Hunter regions under the NSW SAHF agreement.
Sustainability Bond 4 (June 2021)	Building Communities (Vic) Limited	344.3	VIC	To fund integrated social, affordable and private housing (build to rent) on three metropolitan Melbourne public housing sites, under an innovative 40-year concessional ground lease structure on Homes Victoria land. The project has a number of additional sustainability features.
	Evolve Housing Limited	20.52	NSW	Funding for acquisition of up to 200 social dwellings across Southern and Western Sydney to support the NSW Governments Community Housing Leasing Program.
	Community Housing Queensland Limited	4.0	QLD	Refinance of existing debt facility supporting social and affordable housing
	City West Housing	15.7	NSW	Funding to assist in the delivery of a 74-dwelling affordable housing complex on Bourke Street, Waterloo, NSW
	The Haven Foundation Limited	9.0	VIC	Working capital funding to assist with the construction of 149 social dwellings across nine sites in regional and metropolitan Victoria.
Social Bond 5 (June 2021)	Housing Choices Tasmania Limited	8.0	TAS	To finance 80 new properties in Tasmania, as part of the Tasmanian State Government's Community Housing Grant Program (Round 2) and Extension.
	Foundation Housing Limited	45.0	WA	Funding for the acquisition of 98 affordable housing units, and 12 planned social housing units
	Unison Housing Limited	53.0	VIC	Refinance of existing debt facility to support Unison in the development of new properties underway, new projects within the Big Housing Build pipeline, and general working capital for housing outcomes.
	Common Equity Housing South Australia Ltd	15.0	VIC	Funding will complete the repair and refurbishment of an existing multi-story building, the Ringwood project, consisting of 80 social and affordable dwellings of two- and three-bedroom apartments.
	Pacific Link Housing	7.0	NSW	Reimbursement of equity relating to an acquisition of 61 apartment developments at Woy Woy and Canton Beach and land in Belmont, now being developed as 13 new social, affordable and market rental units. To



Bond issuance	Eligible Asset	Value as at 11 October 2023 (AUDm)	State	Purpose
				also refinance existing commercial banking facility, and general corporate working capital.
	Housing Choices South Australia Limited	16.5	SA	Refinancing of existing debt plus extra to assist with further developments of affordable housing.
	Mission Australia Housing	67.9	NSW	The loan will fund the purchase of a 130-apartment building to be used for affordable housing
	SGCH	150.0	NSW	Refinancing of existing debt plus extra to assist with further developments of affordable housing.
Social Bond 6 (June 2021)	SGCH	100.0	NSW	Refinancing of existing debt plus extra to assist with further developments of affordable housing.
<b>Total value of eligible assets</b>		<b>2,162</b>		

## Appendix D: Abbreviations

Term	Description
Accord	National Housing Accord
ACGB	Australian Commonwealth Government Bond
AHBA	Affordable Housing Bond Aggregator
BBSW	Bank Bill Swap Rate
CHIA	Community Housing Industry Association
CHP	Community housing provider
ESG	Environmental, Social and Governance
GBP	Green Bond Principles
HAFF	Housing Australia Future Fund
ICMA	International Capital Market Association
Investment Mandate	National Housing Finance and Investment Corporation Investment Mandate Direction 2018
NaTHERs	Nationwide House Energy Rating Scheme
NHFIC	National Housing Finance and Investment Corporation
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
UN SDG	United Nations Sustainable Development Goals
UoP	Use of Proceeds
UoP	Use of Proceeds



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