



National Housing Finance
and Investment Corporation

Property Council of Australia's Residential Outlook 2021

Nathan Dal Bon
Chief Executive Officer
National Housing Finance and
Investment Corporation

What we do



National Housing Finance
and Investment Corporation



Australian Government



National Housing Finance
and Investment Corporation

NHFIC

NHFIC's Investment Mandate



Affordable Housing Bond Aggregator (AHBA)

Provision of low-cost, longer-term finance to community housing providers (CHPs) through NHVIC social bond issuances

National Housing Infrastructure Facility (NHIF)

\$1 billion of concessional funding for infrastructure to unlock and accelerate new housing supply

First Home Loan Deposit Scheme (FHLDS)

Support first home buyers in bringing forward their home purchase by providing a guarantee to participating lenders of up to 15% of an eligible property's value, financed by an eligible loan

Research

Conduct research to support the monitoring of housing supply, demand and affordability

Capacity Building Program

Provision of grants for capacity building services to assist CHPs in applying for NHVIC finance

What we have achieved



National Housing Finance
and Investment Corporation



Australian Government



NHFIC's Investment Mandate

Affordable Housing Bond Aggregator (AHBA)

\$1.69b loans approved,
2500+ new and 6300+
existing homes supported,
\$199m interest savings

National Housing Infrastructure Facility (NHIF)

\$180m+ deals approved including
\$100m agreement with NSW LAHC,
enabling delivery of 781 new social
and affordable homes at significant
development sites across Sydney

First Home Loan Deposit Scheme (FHLDS)

Almost 20,000 first home buyers
accessed FHLDS in 2020 and
4200+ accessed FHLDS (New
Homes)

Research

Reports: *Building Jobs: How
residential construction drives
the economy* and NHFIC's
*State of the Nation's Housing
2020*; four short papers and
two webinars

Capacity Building Program

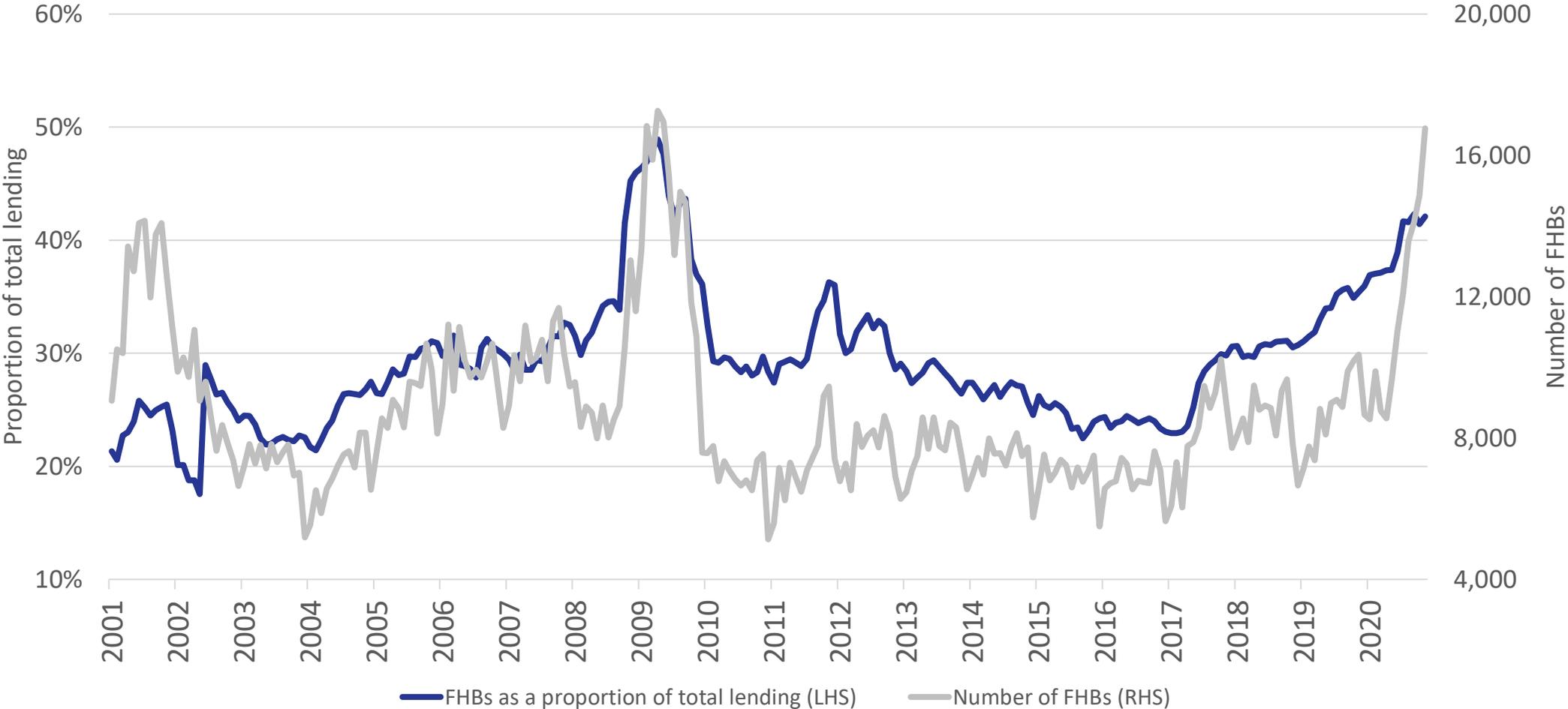
12 grants approved
providing CHPs access
to consultancy services
in finance, business
planning, property
development and risk
management

First home buyers are on the rise

First home buyers as a proportion of total new lending



National Housing Finance and Investment Corporation



Strong support for first home buyers

Government stimulus



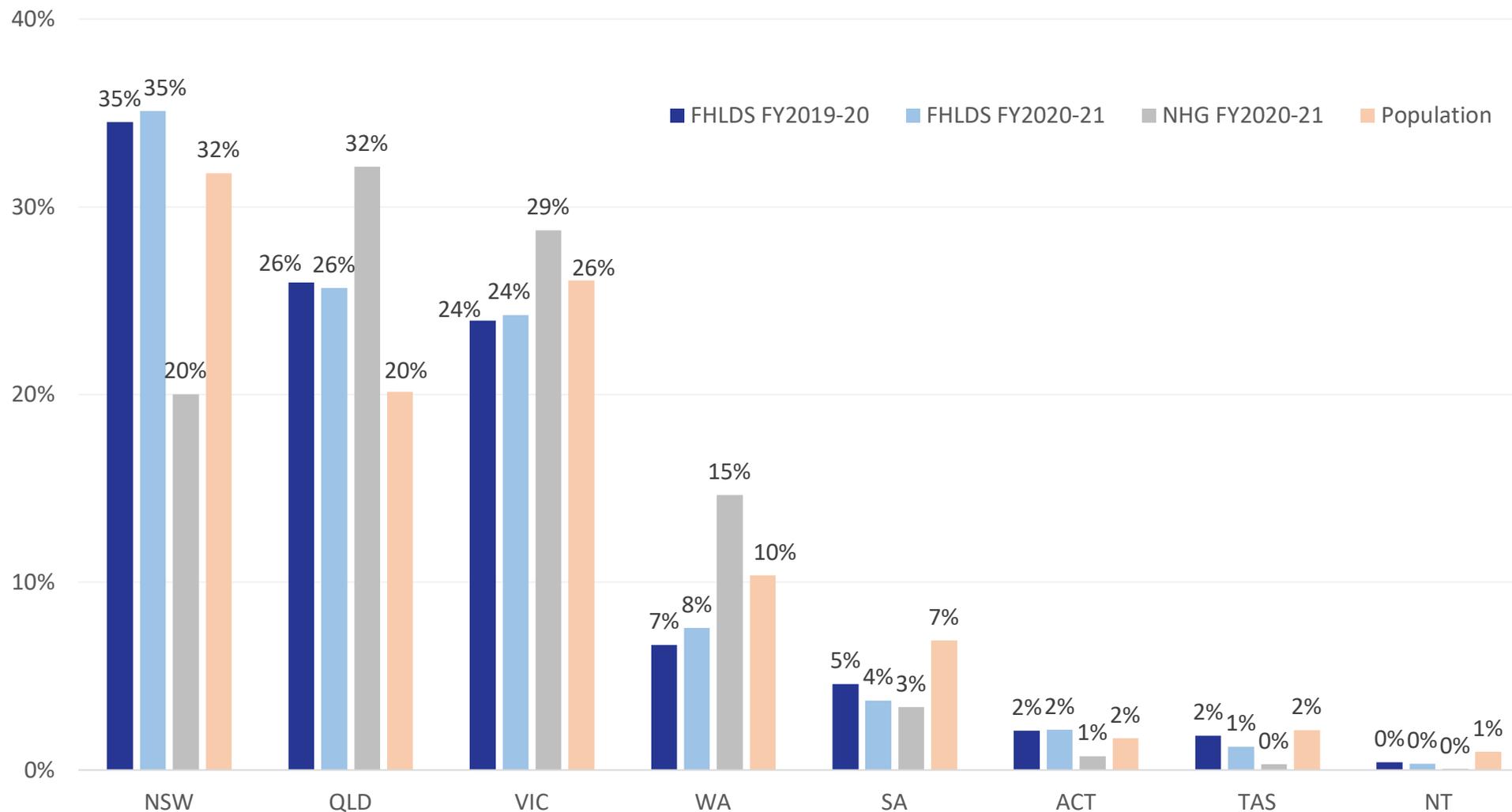
State	Max. stimulus benefit value for FHB (up until 31 December 2020)	Level of assistance as a percentage of the average property value for a FHB
NT	~\$88,000	19.0%
WA	~\$82,000	18.6%
TAS	~\$64,000	16.7%
VIC	~\$86,000	16.0%
NSW	~\$85,000	13.5%
QLD	~\$63,000	13.4%
SA	~\$53,000	13.0%
ACT	~\$63,000	11.2%

Government stimulus includes:

- HomeBuilder
- First Home Owner's Grant
- Other building bonus grants
- Stamp duty concessions
- First Home Loan Deposit Scheme

First home buyers supported by FHLDS

Distribution of FHLDS places by state compared with population



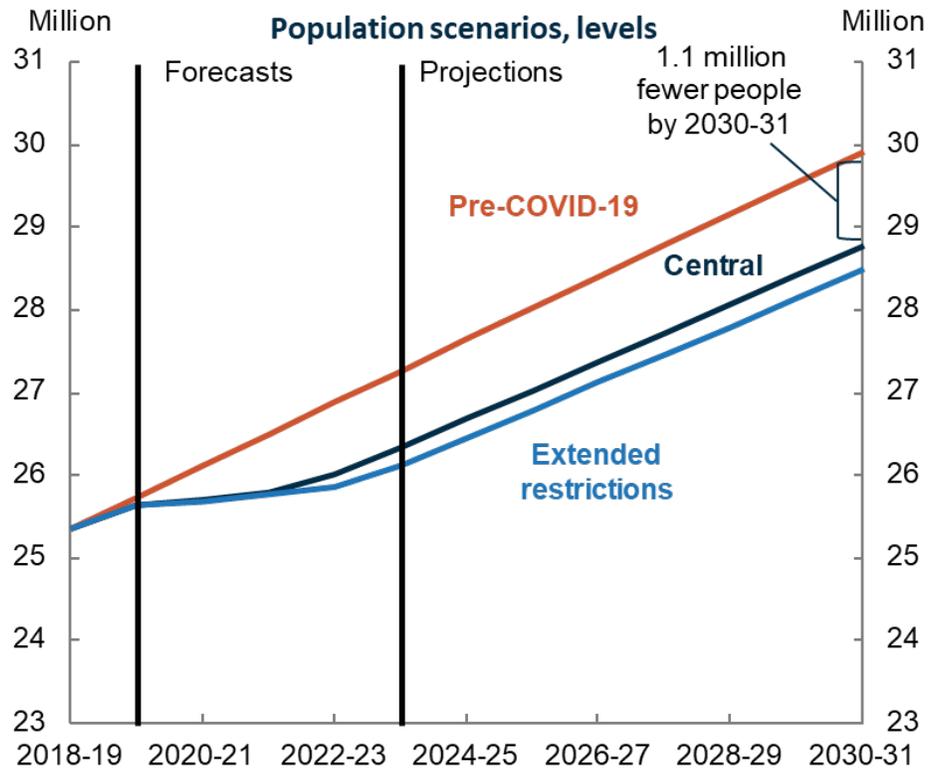
Source: NHFIC / ABS

Largest population shock in a century

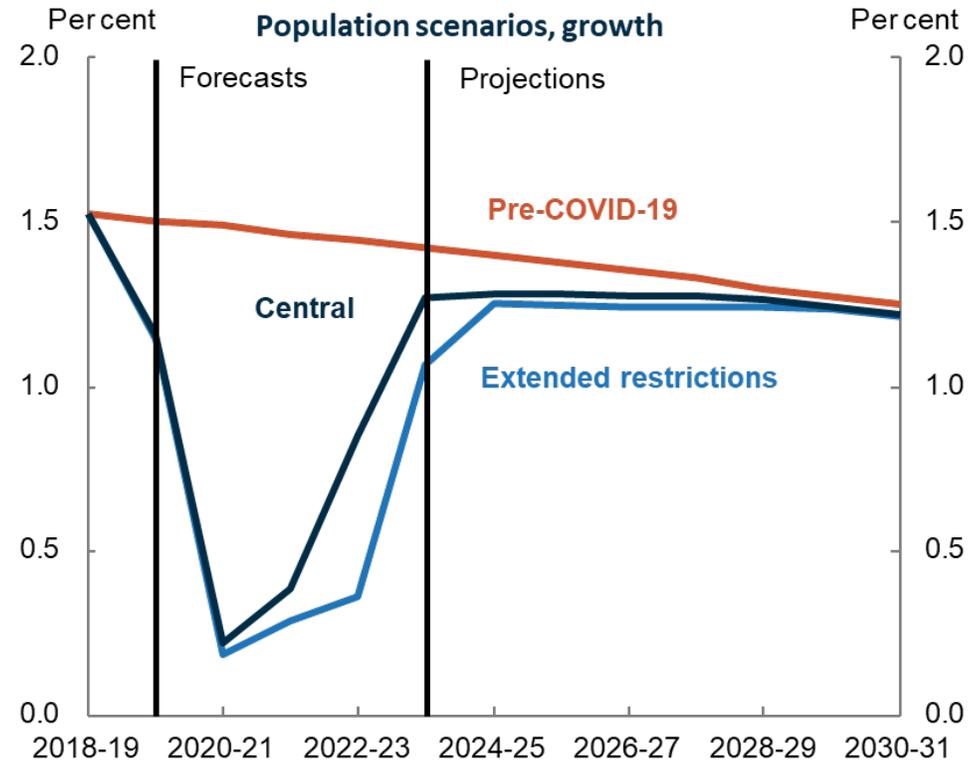
COVID-19 will decrease Australia's population growth



National Housing Finance and Investment Corporation



Source: Centre for Population projections (Initial figures)



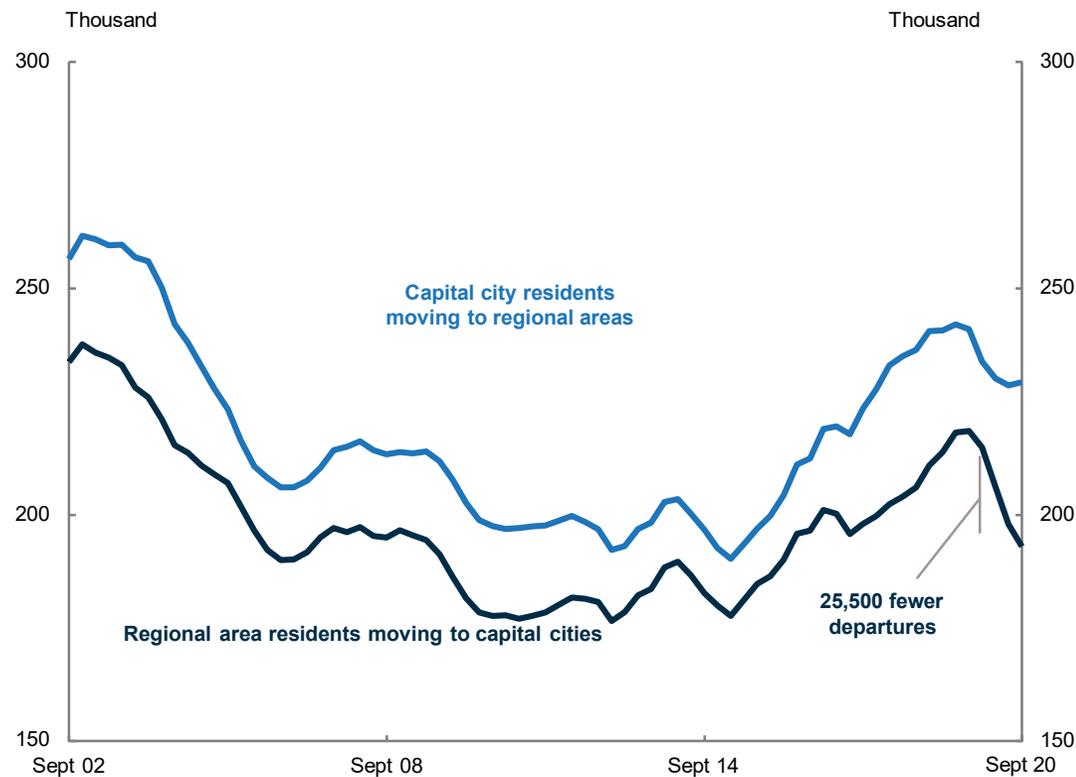
Source: Centre for Population projections (Initial figures)

Is the city exodus real?

Less people moving from regions to the cities

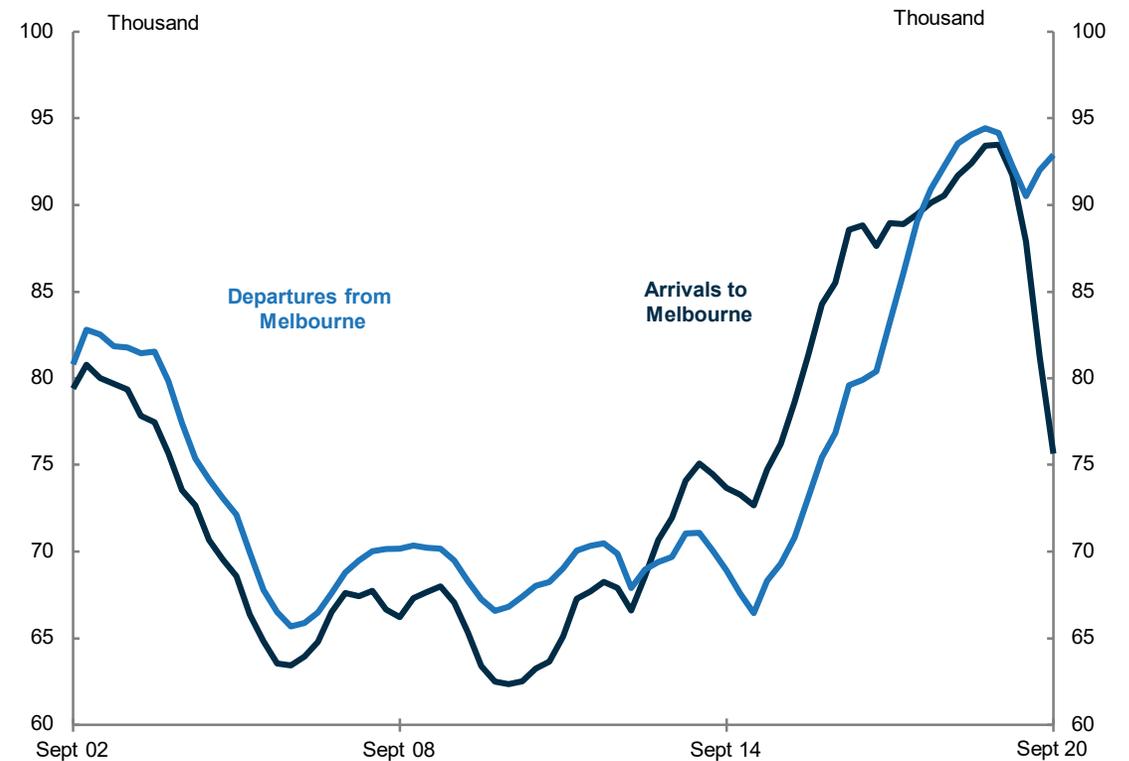


Nationally, 25,500 fewer departures



ABS, Regional Internal Migration Estimates, Provisional, September 2020.

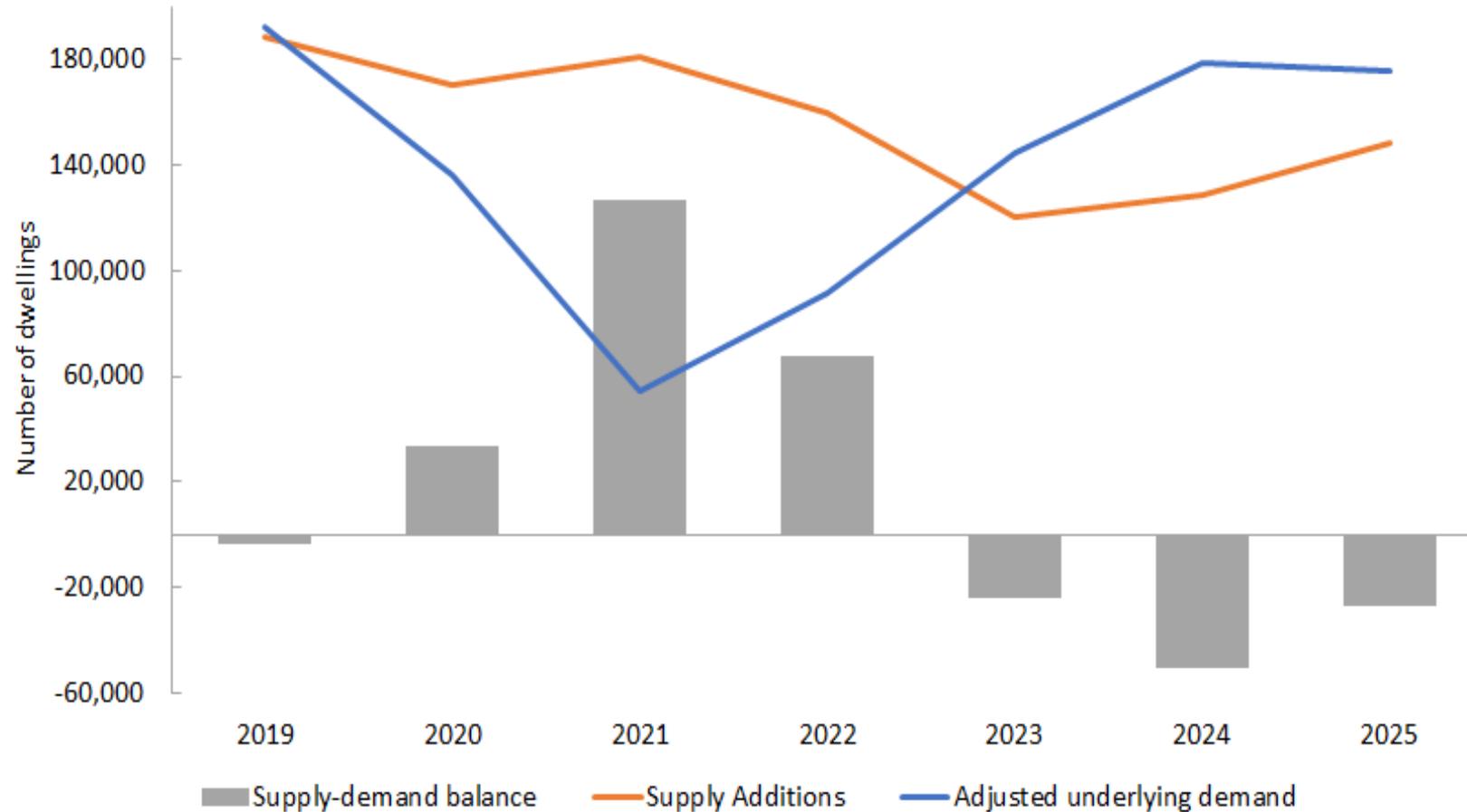
It's a Melbourne story...



ABS, Regional Internal Migration Estimates, Provisional, September 2020.

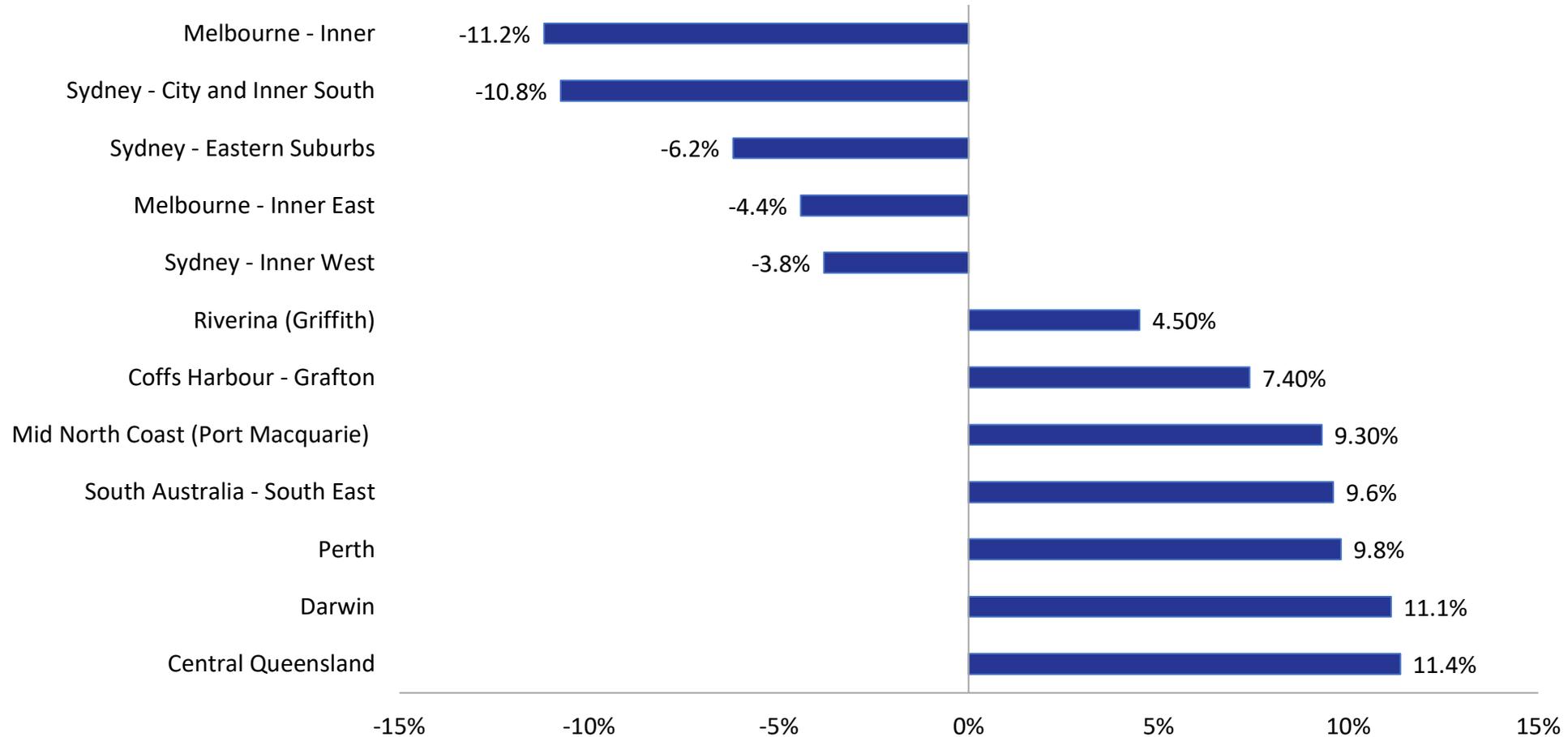
New supply expected to outstrip new demand (new household formation) for next two years....

State of the Nation's Housing



Rent falls have been uneven

(% change in rents March 2020 to January 2021)

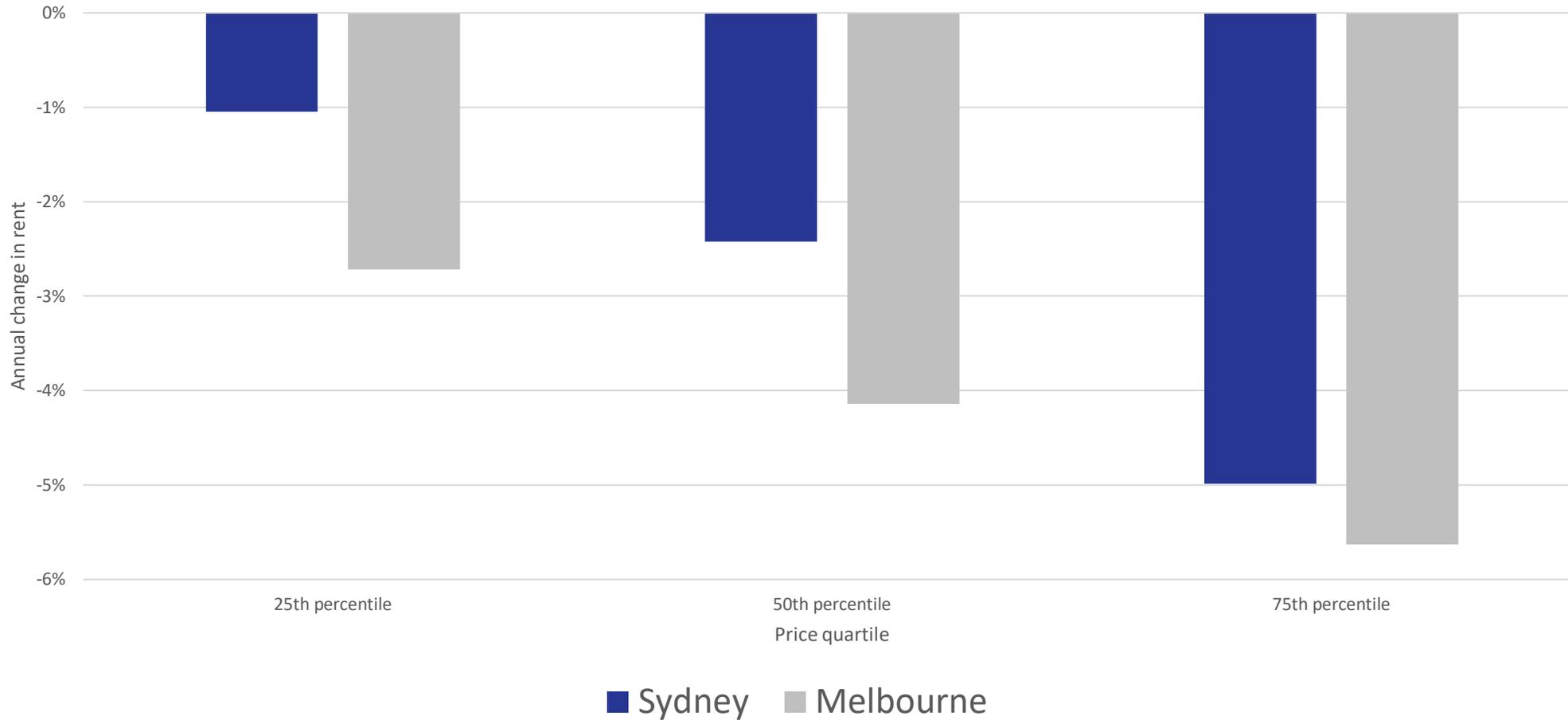


Who's benefiting from the rent falls?

Annual change in rent by price quartile – Dec 2019 – Dec 2020



National Housing Finance
and Investment Corporation



Where are the opportunities?

As economic stimulus tapers, what can sustain the momentum in the property market?



CHP sector will play an important role

- Increased demand for affordable and social housing expected in the wake of COVID-19
- CHP sector resilient during pandemic, with little impact expected on development pipelines
- Developer and investor interest in partnering with CHPs increases during COVID

Investors

- We've seen increased interest in social bond investment
- Post COVID-19 social bonds have grown 800% globally
- Our last three bonds have been oversubscribed.

Lenders

- Joint lending: Cbus, CHRP, state government stimulus

States and territories

- State/territory investment into social and affordable housing, eg NSW (\$900 million additional; total \$4.4 billion over four years), Victoria (\$5.4 billion over four years).



**National Housing Finance
and Investment Corporation**