

**ADVERTISED COPY**

[REDACTED]  
The Trustee for 409 Clayton Group Trust

23<sup>rd</sup> November 2020

[REDACTED]  
Women's Housing Limited is pleased to be able to confirm our interest and support for the development at 409 Clayton Road, Clayton.

WHL looks forward to an offer by Trustee for 409 Clayton Group Trust to purchase 1x 2-bedroom and 2 x-1-bedroom units for the purpose of affordable housing in the City of Monash.

Our intent is to manage these apartments for the provision of affordable housing operating within the compliance frameworks required.

Women's Housing Limited (WHL) is a Registered Housing Association (RHA) regulated by the Victorian Housing Registrar and is therefore required to set eligibility and rents as stipulated in their PerformanceStandards

<http://www.housingregistrar.vic.gov.au/Publications/Performance-standards-and-evidence-guidelines>.

The parameters are outlined here

<https://www.housing.vic.gov.au/social-housing-eligibility>

As required by the Victorian Housing Registrar WHL's program eligibility is based on the Income and asset limits for Register of Interest housing as determined by the Director of Housing.

WHL's eligibility process is detailed here <https://womenshousing.com.au/wp-content/uploads/2019/06/Housing-Allocations.pdf>

Selection of prospective tenants for the proposed units would be available to Women who are working within a local Essential Service.

WHL is required to report annually to the Victorian Housing Registrar on the rent charged for low income households, and to have hardship provisions in place for those instances where tenants' income reduces significantly. Attached are WHL's Household Rent Policy and 2019-2020 Household Rent- How to guide which outline WHL's rent setting mechanisms in detail.

WHL resources:

<https://womenshousing.com.au/wp-content/uploads/2019/06/Housing-Allocations.pdf>

<https://womenshousing.com.au/wp-content/uploads/2019/05/Customer-Service-Charter.pdf>

External resources:

<http://www.housingregistrar.vic.gov.au/Publications/Performance-standards-and-evidence-guidelines>

<http://www.housingregistrar.vic.gov.au/Information-for-tenants/Understanding-your-rent>

<https://providers.dhhs.vic.gov.au/rent-setting-registered-housing-agencies>

<https://www.housing.vic.gov.au/social-housing-eligibility>

A copy of the WHL Annual Report 2018-2019 is attached for your reference.

<https://womenshousing.com.au/news-old/annual-reports/>

The intent is that apartments acquired by WHL would be advertised for lease to the community utilising an existing public leasing platform eg [www.realestate.com.au](http://www.realestate.com.au) outlining the appropriate household income parameters to meet the affordable housing criteria.

Women's Housing Limited is Victoria's only Victorian Housing Association with a sole purpose to provide affordable housing outcomes for Women headed households.

We extend a commitment of interest to work with Trustee for 409 Clayton Group Trust to achieve an offer to purchase within the desired acquisition criteria accepted by the WHL Board of Directors. On receipt of an offer to purchase we commit to reviewing the affordable housing purchase opportunity and submitting this to the WHL Board of Directors for their review and required approval. WHL commits to make every endeavour to reach a formal agreement with Trustee for 409 Clayton Group Trust to purchase the apartments by no later than 31 December 2020 pending town planning approval.

As discussed, we highlight that any purchase would need to be free of a Section 173 restricting WHL's core intent to maximise affordable housing outcomes. Restrictive Section 173 clauses inhibit HA's from achieving Affordable Housing objectives. The following are only some impacts, however, begin to highlight organisational challenges;

The property with a Section 173 is considered a devalued asset for a Registered Housing Association. Regardless of value, the property is not a desirable loan security and if any extension of credit against the property asset could be allowed; it would be heavily reduced compared to a similar property free of the same Section 173 Agreement. Consequently, without significant additional subsidy Housing Associations are not able to secure finance to purchase the property, if the property is to be used as security. Further, Housing Associations are not able to use a property with a Section 173 to secure an extension of credit to fund future developments or property purchases.

Further, all Housing Associations are registered charities providing them with exemption from GST, this includes property development and purchase, however charities are

constrained from trading in property as they must retain ownership of the property for a minimum of 5 to 10 years to maintain the exemption from GST.



Any sale of property owned by a Housing Association requires the Housing Association to demonstrate that there will be no loss of the number of dwellings available for social housing, this is regulated by the Victorian Housing Registrar and requires the approval from the Director of Housing, thereby ensuring that there is only growth in the number of affordable dwellings. Housing Associations operate as businesses with a charitable purpose and are tightly regulated. Housing Associations need to be able to manage their property assets to industry best practice to ensure that there is growth in the number of affordable and social housing dwellings whilst ensuring their current portfolio of properties are maintained to high standard.

Should you have any questions regarding the above please contact [REDACTED]

Yours sincerely



CEO Women's Housing Ltd