

Media Release

Thursday, 24 September 2020

Shadow Minister for Housing to launch NSW affordable housing development

- *The Hon Jason Clare MP will attend the launch of Aware Super's Miranda affordable housing development on 24 September 2020 at 9.30am (680 Kingsway, Miranda).*
- *Aware Super's latest affordable housing investment is one way the fund is responding to the housing affordability crisis for Australian workers.*
- *This is Aware Super's first purpose-built (build-to-rent) affordable housing development project in Australia, with plans to undertake additional developments in the near future.*
- *The Fund has committed to increasing its investment in key-worker affordable housing to \$400 million this year; the largest investment in the sector by any Australian institutional investor.*
- *Working with Altis Property Partners, the Fund plans to establish its own company to source, develop and manage further affordable housing investments in future.*

Shadow Minister for Housing, The Hon Jason Clare, MP, will join Aware Super Chief Executive Officer Deanne Stewart on 24 September at 9.30am for a site tour of the Fund's latest affordable housing investment in Miranda, Sydney.

Aware Super (the new name for First State Super) has invested nearly \$250 million in affordable housing developments over the past 18 months. The Miranda development though, is the Fund's first purpose-built affordable housing development project in Australia.

The development, known as Meridian, consists of 102 units, 50 per cent of which have been allocated as affordable housing, and will be rented at 80 per cent of the market rate for the area.

Since the average home owner in Sydney pays 11 times their salary to purchase a home versus 5.9 for the whole of Australia* and the average Sydney household faces paying \$582 per week in rent versus \$436 for the rest of Australia**, offering more affordable rental housing in Australia's most expensive city makes sense.

Construction on the development has recently commenced and once complete will take Aware Super's total number of affordable housing units to nearly 420 nationally.

Mr Clare congratulated Aware Super for its efforts to address the housing pressures faced by so many Australians, especially essential workers.

'This is a win-win-win. It will provide homes for heroes, work for tradies, and a good investment for members,' Mr Clare said.

'This project shows how super funds can help super charge the construction of more affordable housing for front line workers like teachers, nurses, aged care and disability support workers, police, emergency services workers and childcare employees.

'The Federal Government can and should do more here too. We are in recession and the housing construction industry is in real trouble. Building more social and affordable housing at the moment will help to keep tradies working and get us out of this recession faster.'

Aware Super has committed to increasing its investments in affordable housing to \$400 million this year, with plans to further increase it to \$800 million in the future.

First State Super CEO, Deanne Stewart, said Australia was facing a housing affordability crisis in many metropolitan areas and super funds could play a critical role in solving this issue while delivering strong returns for members and providing much-needed support to the construction industry.

Demonstrating its commitment to investing in affordable housing Ms Stewart said Aware Super would shortly establish its own company, to manage its growing pool of affordable housing assets as well as seek future opportunities in the sector.

'Sydney is one of the most unaffordable housing markets in the world, with Melbourne not that far behind,' Ms Stewart said. 'Aware Super is determined to be part of the solution to the housing affordability issues that so many of people who care for and protect our community face in cities such as Sydney and Melbourne.

'By establishing our own company to source, develop and manage our affordable housing assets we will decrease the costs associated with these investments which will enable us to increase our commitment to this important sector.

'Aware Super currently has a pipeline of nearly \$250 million in affordable housing projects; the largest commitment of any Australian institutional investor, but we want to do more.

'Miranda is our first purpose-built affordable housing development project in Australia, and we're really proud to invite Mr Clare to official launch this project today.

'We have invested in this project without Federal Government or other third-party support but believe greater collaboration between with governments, industry and other investors could achieve much-needed change in the sector and help to reduce the housing stress faced by so many in our community.

'We would acknowledge the NSW Government's Land Tax discount for new build-to-rent housing projects which we expect will apply to the Miranda development and which we think is a great stimulus initiative.'

Ms Stewart said funds like Aware Super had a crucial role to play in helping Australia's economy to recover while assisting to solve significant social issues such as housing affordability.

'With our patient capital, long-term investors such as super funds are in a strong position to be a key player in the economic recovery now and into the future.

'Projects like this development in Miranda, and another exciting soon to be completed investment in Melbourne, not only support essential workers and others to secure safe, affordable quality rental accommodation close to their work and other important amenities, they also provide much-needed support to the construction sector to maintain jobs and move forward with shovel-ready projects that will assist in Australia's economic recovery.

'These are just some of the projects we are backing to help support our construction sector and hope to make further announcements regarding additional affordable housing developments in the future.'

Located within walking distance of Miranda's schools, hospital and police station, Aware Super's latest Sydney investment is scheduled to be completed by September 2021.

Aware Super is in the process of finalising its second essential worker affordable housing investment in Victoria, underwriting a significant new development in Melbourne's north-east, which has just commenced civil works.

In addition to these, Aware Super has other essential worker affordable housing investments in the Sydney suburbs of Epping, Waterloo, Northmead and Hurstville, and the Melbourne suburb of Moonee Ponds.

* 16th Annual Demographia International Housing Affordability Survey: 2020

** CoreLogic February 2020 Home Value Index

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Note to Editors:

Previously known as First State Super we changed our name to **Aware Super** in September 2020.

Aware Super is a name that reflects our members and what we stand for. It echoes the strengths of our past, aligning to our purpose to be a force for good in superannuation, retirement and advice, driving better outcomes for our members, their families and communities.

First State Super's been the fund for people who value community since 1992, we're now one of Australia's largest funds and we're continuing to grow. We merged with VicSuper this year and together we manage more than \$125 billion in savings for more than 1 million members located across the country.

Our members work in roles that breathe life into their communities and they expect us to do the same. So, we invest in assets that we believe will make a positive difference today - improving our communities, building a more a sustainable economy and supporting employment both locally and globally at the same time as providing strong long-term returns.

Discover how we're helping members do well financially while doing good in the world: Visit aware.com.au.