



## **Firing on all cylinders; the economic case to Quadruple the HAFF**

Quadrupling the number of homes built under the Housing Australia Future Fund would deliver powerful economic returns while aggressively tackling Australia's worst social problem, the rental housing crisis, according to new modelling.

New analysis from the Swinburne University of Technology shows expanding the number of homes built under the HAFF from 30,000 to 120,000 could create \$12.79 billion worth of social and economic benefit over 25 years, including avoided public costs such as policing and health care.

The report, commissioned by Australia's peak social and affordable housing bodies, the Community Housing Industry Association and PowerHousing Australia, also argues that increasing the number of non-market housing options was not only economically beneficial, but may contribute to putting downward pressure on the private sector. It argued that expanding on the 30,000 homes the federal government has already committed could create an opportunity to start re-shaping the housing market.

"This research explodes the myth that social and affordable housing is purely an expense. In fact, it provides taxpayers with a powerful economic return while also building a more inclusive and healthy society," Michelle Gegenhuber, CEO of PowerHousing Australia said.

"With the right settings, we can tackle our homelessness crisis without going into the red. This is a win-win, because it delivers direct benefit to tenants, can exert broad downward pressure on rents and means a lighter burden for taxpayers through avoided costs of homelessness such as policing, healthcare and community services," Wendy Hayhurst, CEO of Community Housing Industry Association.

Analysis of 2021 census data showed, more than 640,000 Australian's housing needs were not met by the private rental market, with the figure projected to reach almost one million by 2040.



The report also shows the social benefits increase depending on who is being housed.

“This is a chance to combine powerful social policy with smart economics. This report shows by increasing the share of social housing dwellings allocated to individuals experiencing homelessness to 50%, we see an increase in the societal benefit by 15 per cent,” Ms Gegenhuber said.

The estimated outcomes reflect the benefits that come from affordable, secure and appropriate housing. Many Community Housing Providers additionally provide a series of support services to tenants. These are not captured in the analysis and would provide additional benefits.

“We know residential construction boosts the economy and creates jobs, this report demonstrates that in addition, investment in social and affordable housing provides ongoing returns for all Australians and it has the ability to provide some relief to the current intensity of the property market for all”, Ms Gegenhuber said.

“There is a strong case for expanding this program. It’s going to offset its own investment costs in social and economic benefits, and then when we factor in the appreciation of those assets, well that’s when we begin to reshape the Australian housing system,” Ms Hayhurst said.

## **Key Data Points**

### **Original HAFF Program (30,000 dwellings)**

- \$3.20 billion over 25 years in societal benefits
- \$7.15 billion over 25 years, or \$9,539 per dwelling annually in cost-of-living relief for tenants

### **Quadrupled HAFF Program (120,000 dwellings)**



- \$12.79 billion over 25 years in societal benefits
- \$28.6 billion over 25 years in cost-of-living relief for tenant
  
- **Additional Points:**
- Tenants experience substantial cost-of-living relief compared to equivalent private rental costs
- The HAFF is an off-balance sheet investment, meaning it doesn't directly impact the government's budget
- Increasing the size of the HAFF would proportionally increase the number of supported dwellings and associated benefits.
- A larger non-market housing sector can improve housing affordability for all Australians by putting downward pressure on rental prices

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