

[The Sydney Morning Herald](#)

Business

Affordable estate marks a new model

Philip Hopkins
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A \$160 million affordable housing estate in Narre Warren, south-east of Melbourne, will mark the start of a funding model that allows institutional investors to invest in properties for low and moderate-income families.

The Narre Warren project, Casey Gardens, will be built by Providence Housing, an approved recipient under the National Rental Affordability Scheme (NRAS).

NRAS is effectively a system of state and federal subsidies in the form of "incentives", indexed every year, that enable property owners like Providence to provide cheap, quality housing to eligible tenants.

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Providence has been allocated 401 NRAS incentives for Casey Gardens, in conjunction with Mission Australia, and has just received a new allocation of 1296 incentives. This will position the company as a leading developer of affordable housing in Victoria.

Beyond Casey Gardens, Providence has other projects likely to total more than \$500 million. Providence executive director Bruce Barron said the company had a pipeline of projects supported by these investment incentives.

"We have secured funding for the Casey Gardens project and are in active dialogue with a number of institutional investors, retail distributors and senior banks," he told BusinessDay. "Each project becomes its own investment case. We work through each one as they become investment-ready."

Mr Barron said these projects, based on a sustainable residential investment model, offered investors superior returns, enhanced by NRAS in a low-risk sector.

Providence Housing is a Melbourne-based private company formed specifically to address the high demand for affordable housing. The key to its approach is the integration of housing style, tenure type and household composition across a diverse range of localities, cities and states.

The foundation project, the 530-unit Casey Gardens, is designed for a diverse range of groups living in the high-growth City of Casey. The eight-building complex of studios, and one, two and three-bedroom apartments, also has 401 NRAS-supported dwellings and community and recreational facilities.

Tenancy management is being provided by MA Housing, a specialist housing offshoot of Mission Australia.

Construction of Casey Gardens is set to start in January and should be completed within 10 months.

Mr Barron said planning had already begun on new NRAS-based projects. These were:

- A high-rise in Cheltenham that will include 147 homes.

- Mid-rise residential buildings in central Dandenong, incorporating 217 apartments, commercial space and community facilities.
- Two sites at Footscray, near Victoria University, providing 413 studio and one-bedroom apartments, and including a high-rise, mixed-use building with administration, community and retail facilities.
- A high-rise development in central Frankston including 165 dwellings within a range of studios to two-bedroom apartments, and with retail outlets, communal spaces and administration offices on the ground floor.
- Mid and high-rise residential development on two sites at Ringwood, providing 172 and 182 NRAS dwellings respectively.

"There are quite a few others, but we're still in negotiations with landowners. We are strengthened by the success at Casey Gardens and the further NRAS allocation, which allows us to offer a pipeline of investment to institutional investors," Mr Barron said.



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