



National Housing Finance
and Investment Corporation

UDIA SA Knowledge Series

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What we do



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Australian Government



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NHFIC

NHFIC's Investment Mandate



Affordable Housing Bond Aggregator (AHBA)

Provision of low-cost, longer-term finance to community housing providers (CHPs) through NHFIC 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

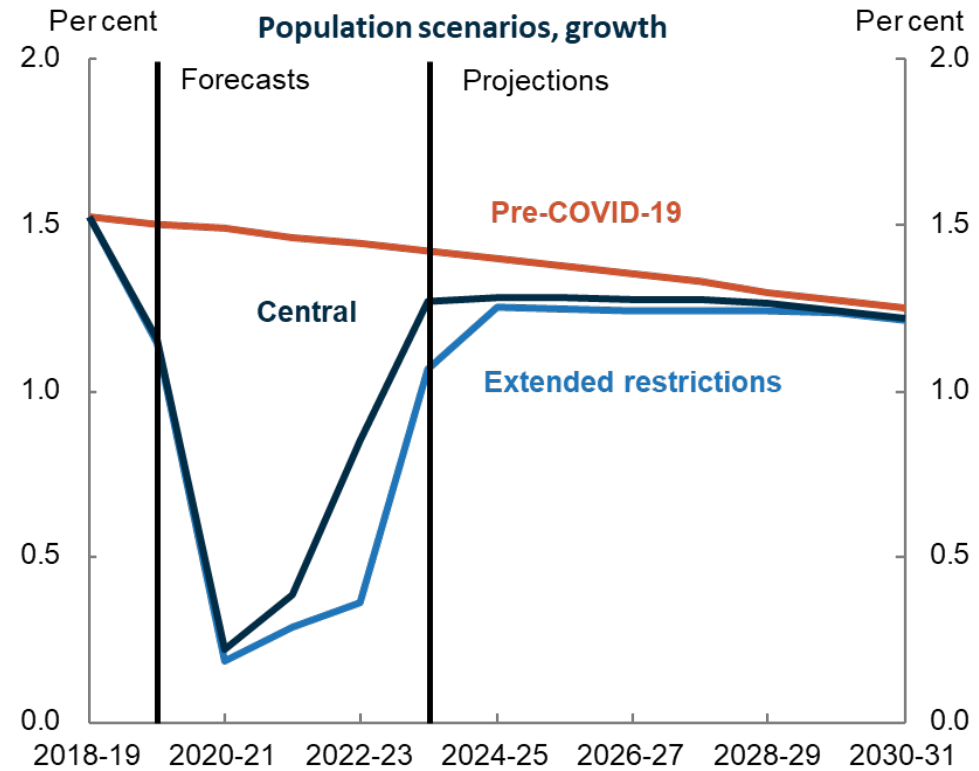
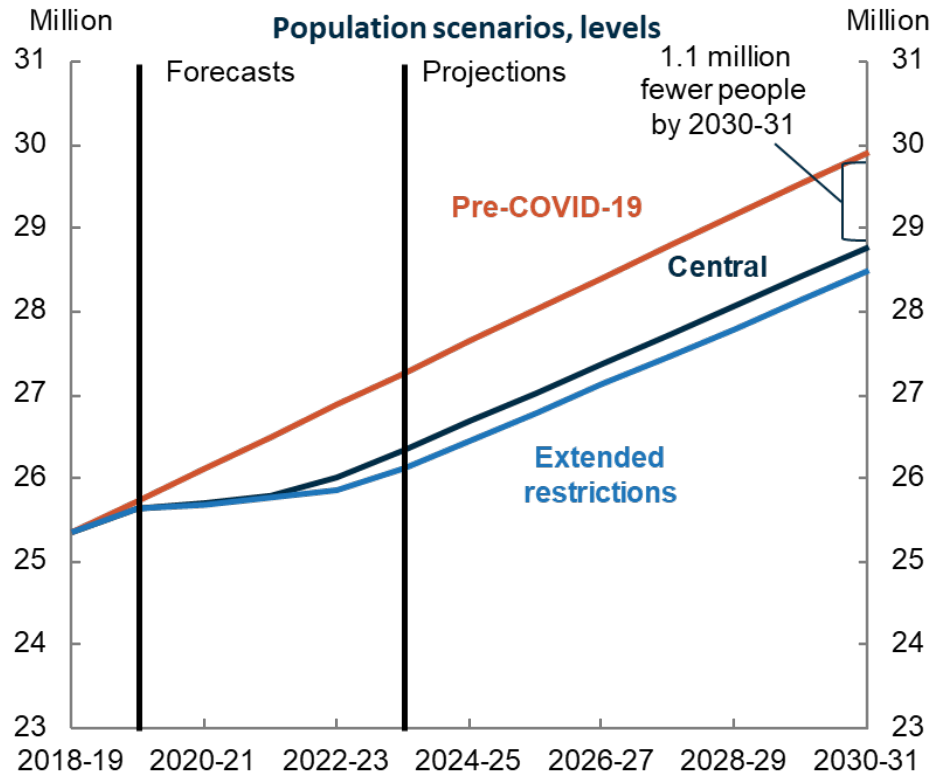
Provision of grants for capacity building services to assist CHPs in applying for NHFIC finance

Largest population shock in a century

COVID-19 will decrease Australia's population growth

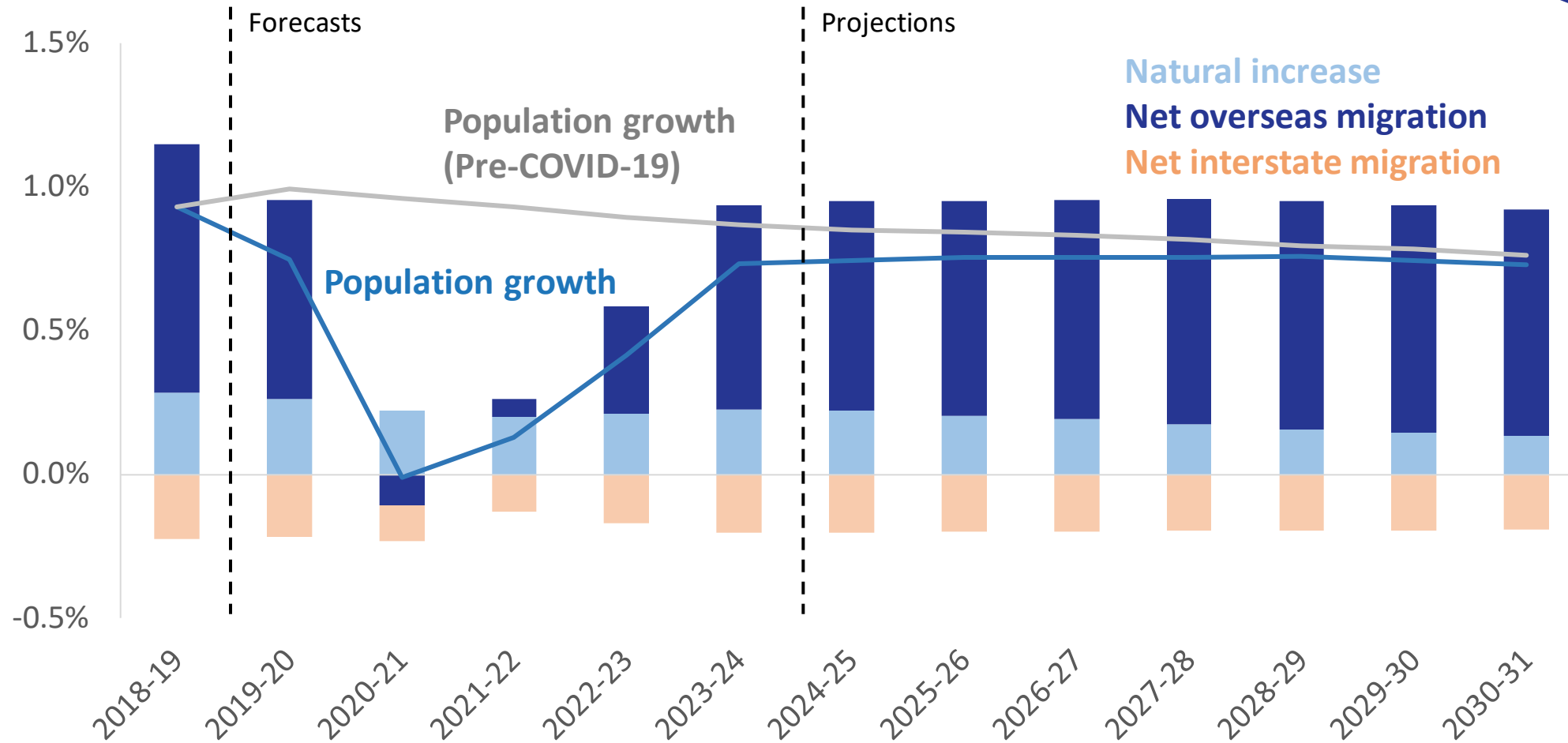


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Largest population shock in a century

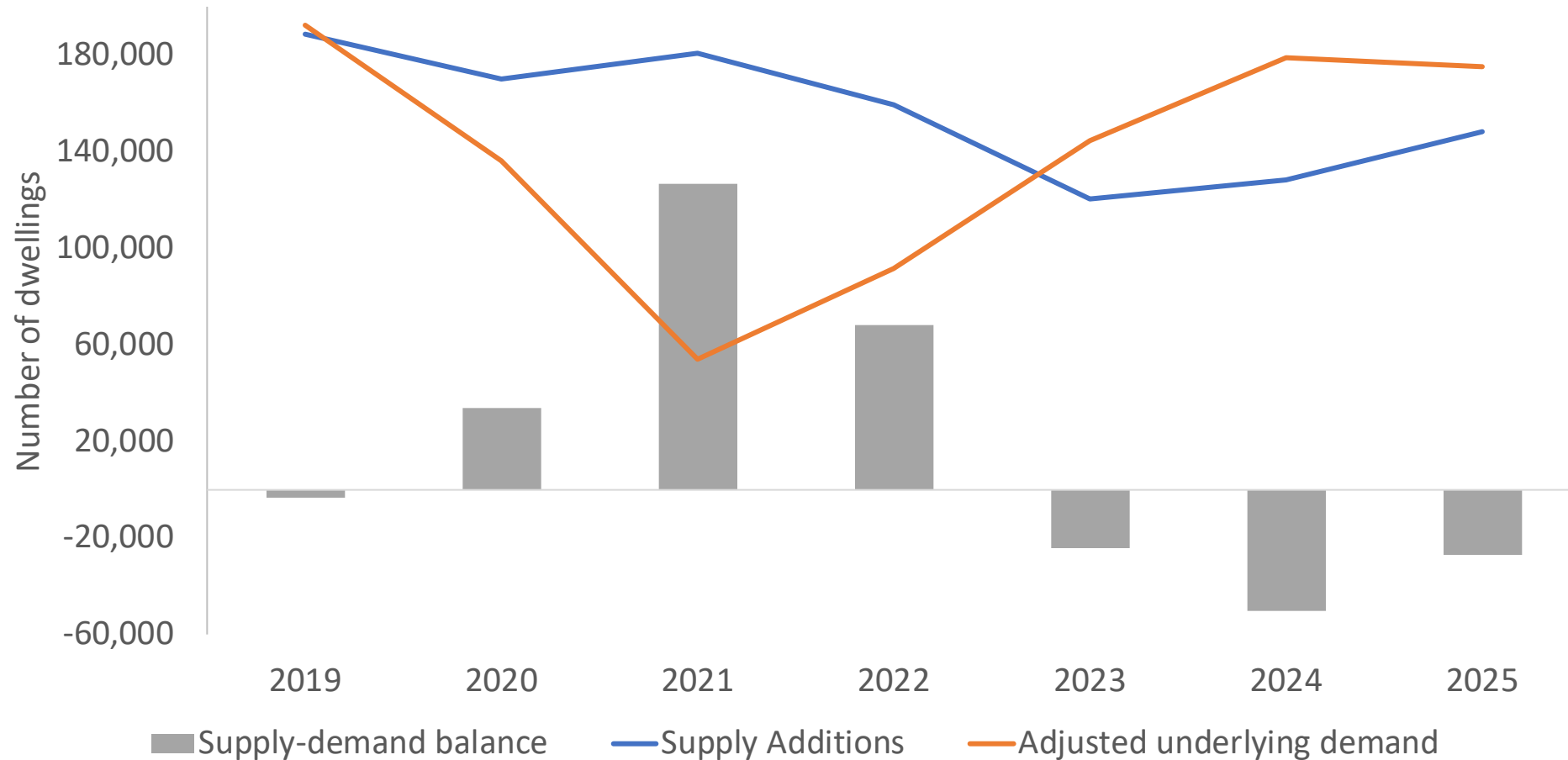
COVID-19 will decrease South Australia's population growth, but NOM impact lower than eastern seaboard states



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

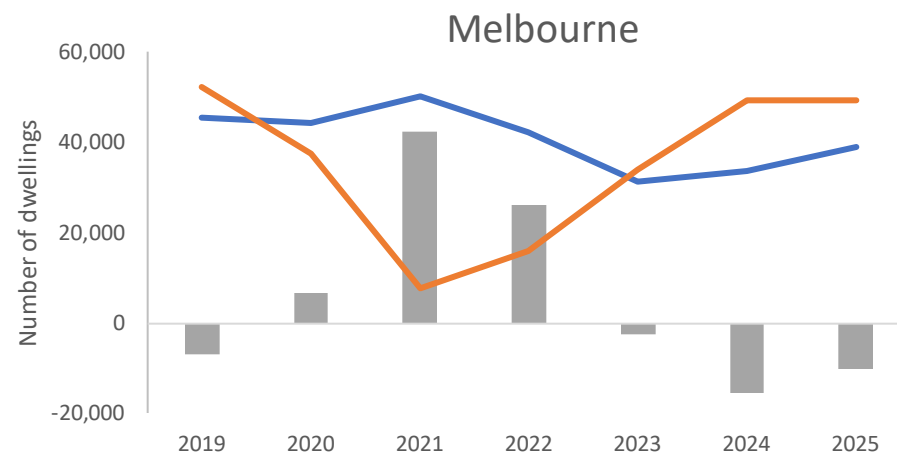
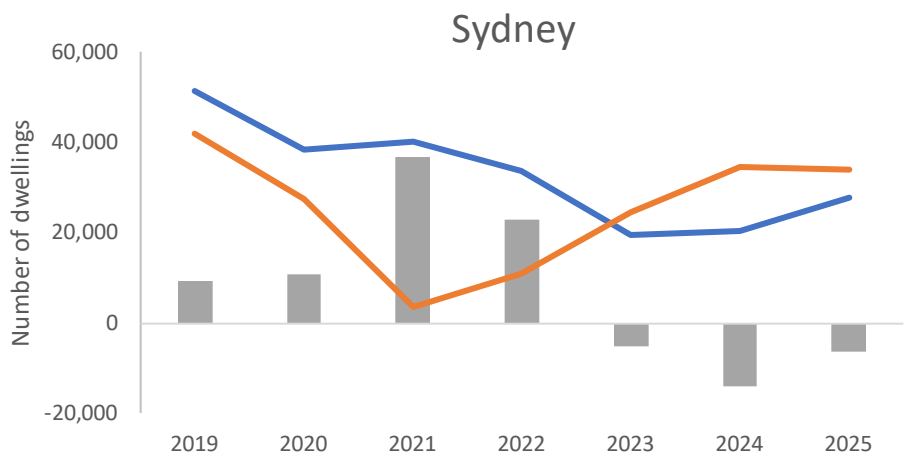
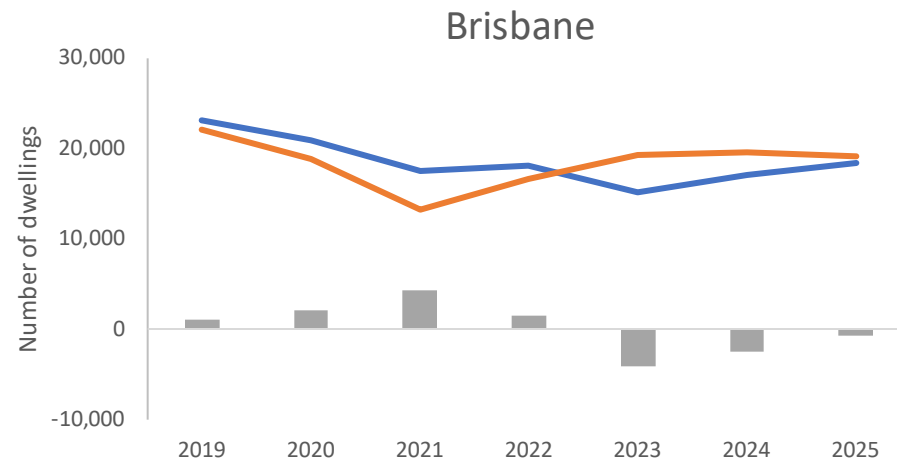
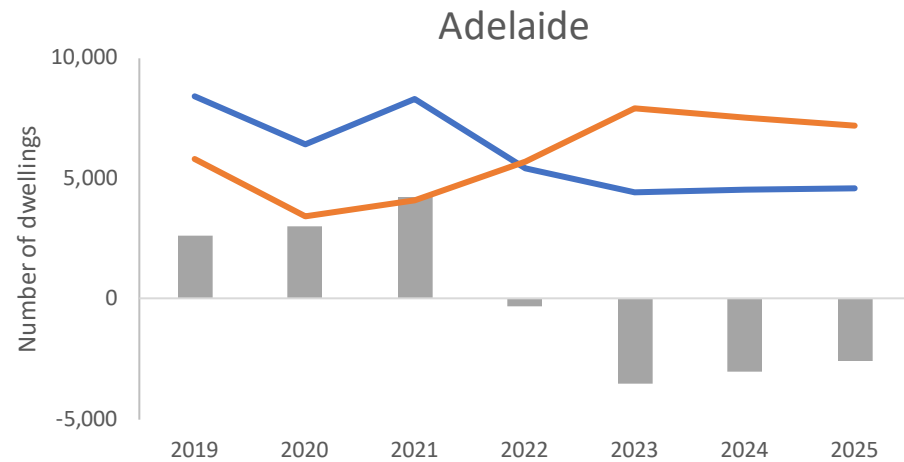


State of the Nation's Housing Report



...COVID-19 shock having different impacts on different geographies

State of the Nation's Housing Report



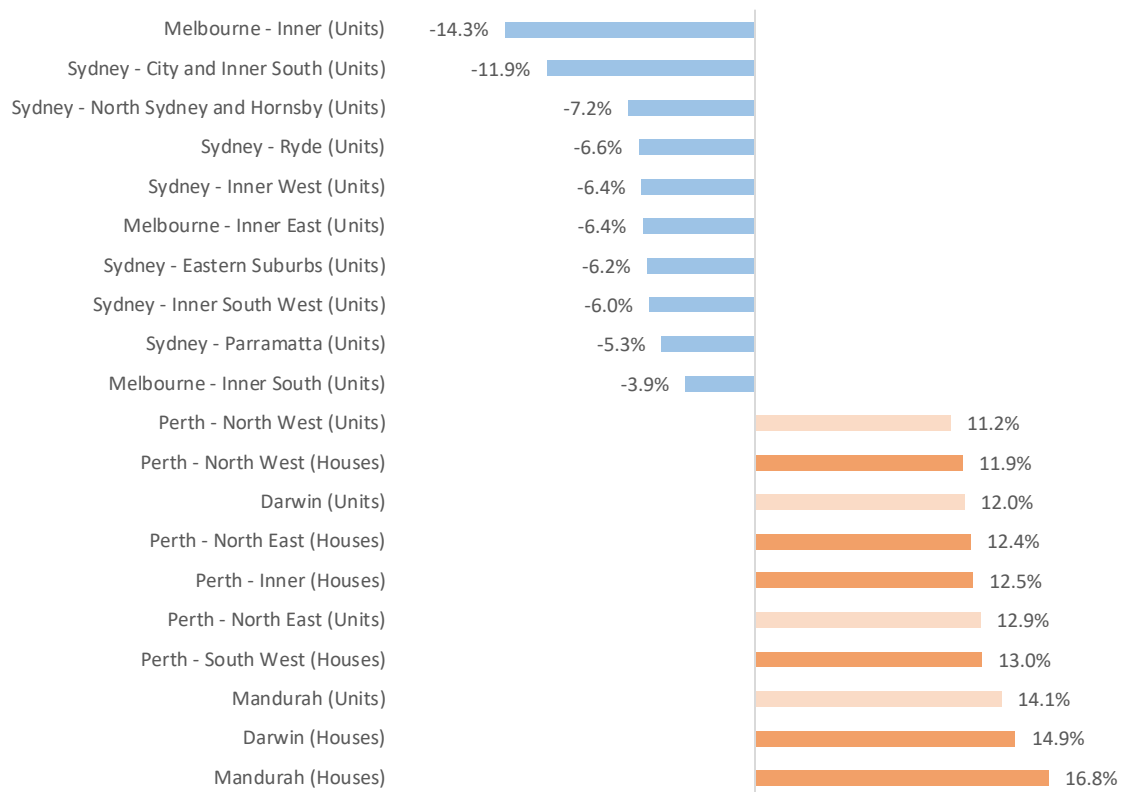
■ Supply-demand balance
— Supply Additions
— Adjusted underlying demand

Rent changes have been highly uneven

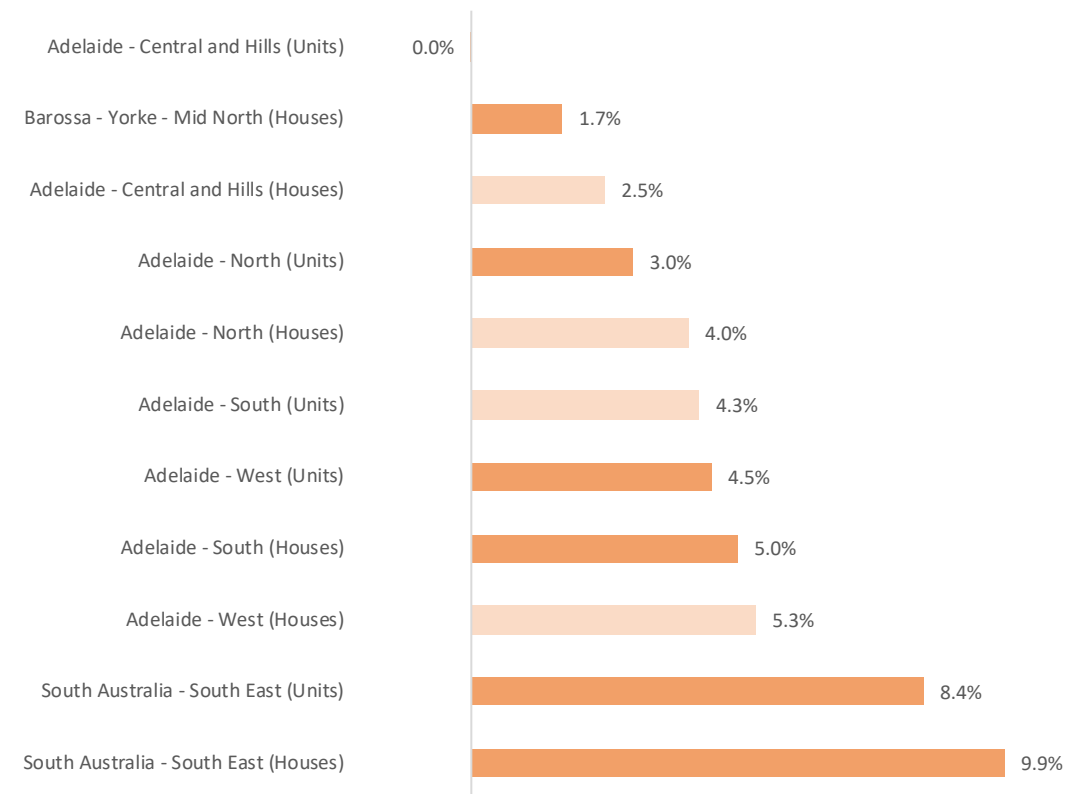
(% change in rents March 2020 to February 2021)



Top ten / bottom ten capital city regions^ for change in rents, Mar 2020 to Feb 2021



South Australia regions for change in rents, Mar 2020 to Feb 2021



^Refers to Statistical Area Level 4 (SA4) regions

*Average % change for metropolitan SA4 regions in South Australia

Government stimulus has supported a FHB boom



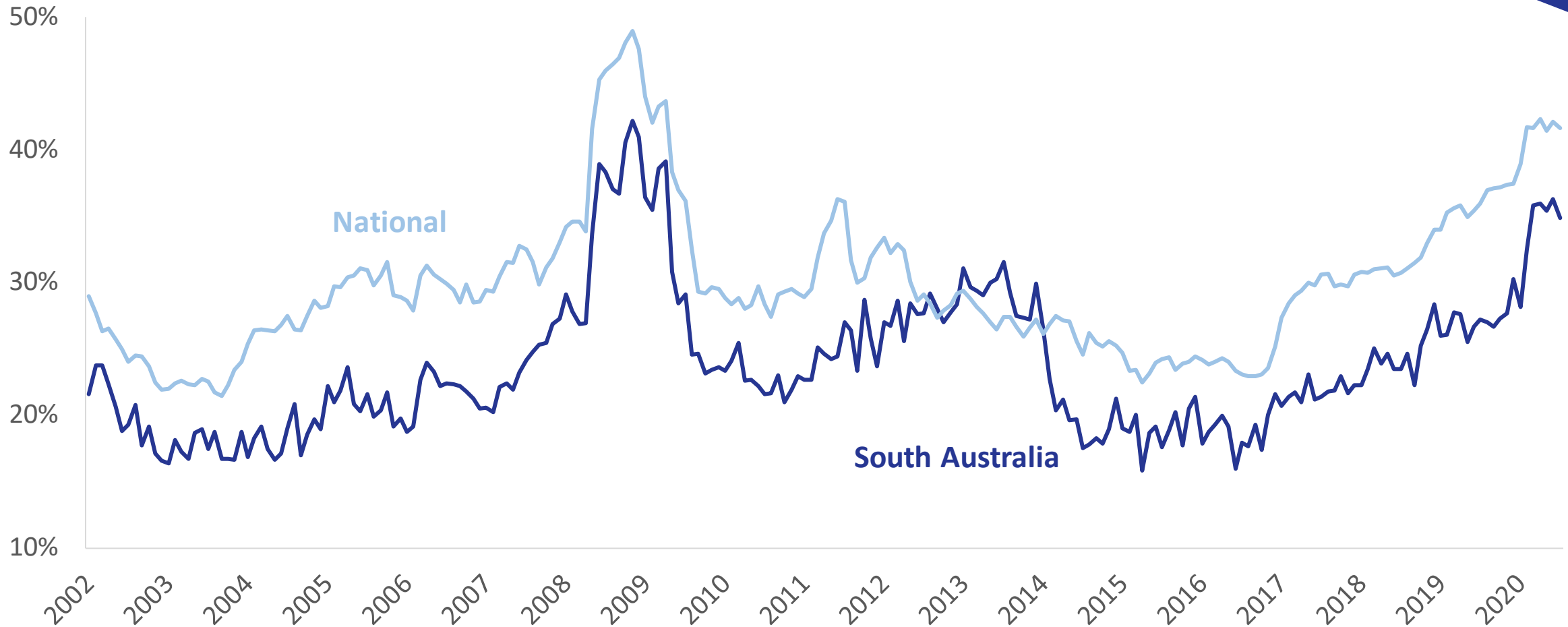
State	Max. stimulus benefit value for FHB (up until 31 December 2020)	Level of assistance as a percentage of the average property value for a FHB
SA	~\$53,000	13.0%
NT	~\$88,000	19.0%
WA	~\$82,000	18.6%
TAS	~\$64,000	16.7%
VIC	~\$86,000	16.0%
NSW	~\$85,000	13.5%
QLD	~\$63,000	13.4%
ACT	~\$63,000	11.2%

Government stimulus includes:

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

First home buyers are on the rise

First home buyers as a proportion of total new lending



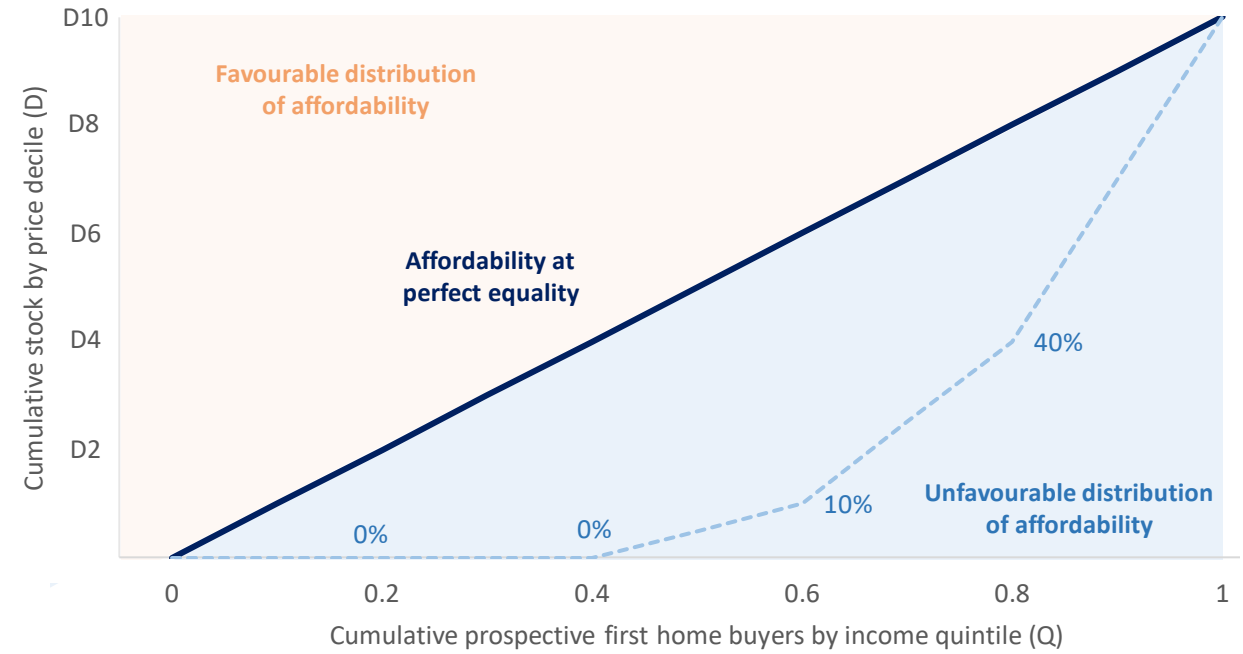
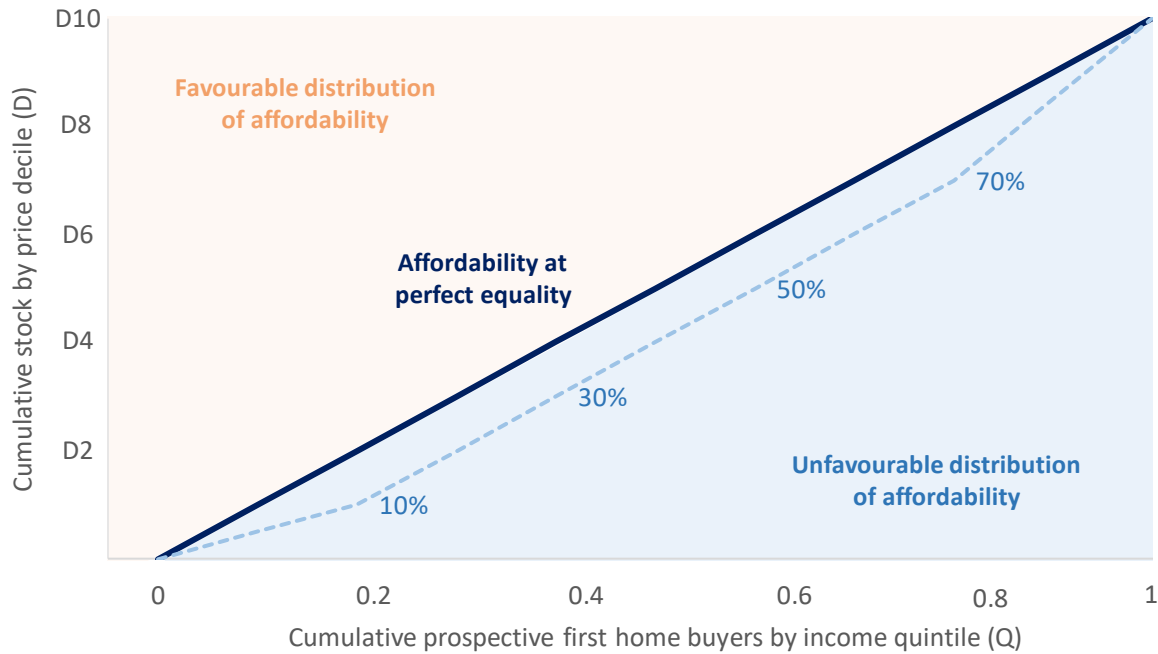
Adelaide a more affordable city than most...

Affordability distribution by income quintiles – Adelaide vs. Sydney



Adelaide

Sydney



...with migration flows to follow economic opportunities

Population growth in SA has broadly followed new job ads



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*Job vacancies data for South Australia was unavailable between September 2008 and September 2009 and has been interpolated.

State of the Nation's Housing – key themes/messages/swing factors



- Almost one million fewer people (than previously expected) living in Australia by 2025 will see new household formation subdued for next few years, but SA has typically been a low population growth state
- The COVID-19 shock likely to have uneven impacts, affecting geographies and housing segments in different ways, with housing demand in SA likely to be less impacted than Sydney and Melbourne
 - Detached dwellings vs. apartments
 - Inner city vs. regional areas
- "Underlying" (as opposed to "market") housing demand impacts from COVID-19 shock more a rents story than a house price story
- Swing factors for housing in 2021: Vaccine rollout and containment of virus; JobKeeper/Homebuilder/Other stimulus; interest rates (Macropu?); unemployment; net overseas migration.



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