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Budget social housing announcement welcomed as demand for investment structures grows

Australia's leading trustee company welcomed the NSW Government's Budget announcement that it will spend more than \$812 million on building and upgrading social housing to help create jobs while meeting demand for affordable housing.

The announcement followed one by the Victorian government, which aims to spend \$5.3 billion on social housing.

Equity Trustee's Executive General Manager, Corporate Trustee Services, Russell Beasley, said today: "Investor interest is growing in social housing due to its ability to provide regular and consistent income with capital stability.

"We are seeing more and more investment vehicles seeking to tap what is expected to become a \$5 billion asset class. There are estimates of disability accommodation projects alone that will house some 28,000 people; all backed by National Disability Insurance Scheme (NDIS) payments worth some \$700 million a year," he said.

"The pipeline of new homes being developed under this scheme has already jumped 50% over the past 12 months."

Mr Beasley said: "Investor revenue from government-subsidised dwellings targets a yield of 8 - 10% a year on an unleveraged basis, without taking into account the use of debt to enhance returns for investors."

Equity Trustees is the trustee for the Synergis Fund, which plans to invest in 1000 specialist disability accommodation properties around Australia over the next five years – having just completed its first disability housing projects in Sydney, NSW and Ipswich Qld.

Equity Trustees is also a leading specialist provider of fund management and funding for the charitable and for-purpose sector, with specialist NFP investment services and a philanthropic granting team distributing more than \$80 million of funds annually to the social sector.

The Synergis unlisted wholesale investment trust seeks to provide positive social impact and generate attractive long-term, risk-adjusted financial returns for investors from rental payments made through the Commonwealth Government's NDIS.

The fund was founded by Social Ventures Australia and Federation Asset Management and includes investors such as Suncorp, HESTA and the Paul Ramsay Foundation among others.

Equity Trustees' Mr Beasley added: "The Synergis Fund is having a big practical impact on many people's lives, with homes incorporating easy-to-use smart technology and wellness features, with fully accessible designs servicing the unique needs of each resident."

The fund is managed by Social Infrastructure Investment Partners and the first projects, Oak Tree at Mt Colah NSW and Tyson's House in Ipswich Qld, were developed by Good Housing and SDA Australia Group respectively. There are currently another 35 Synergis Fund projects under development and construction, which can home up to 116 tenants across Queensland, NSW, Victoria and South Australia.

The 132-year old Equity Trustees is Australia's leading specialist trustee company.



MEDIA INQUIRIES

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