



INVESTING IN AUSTRALIA'S COMMUNITY HOUSING

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Our investment in community housing is about helping families cut their energy costs while also benefiting the environment. The clean energy benefits speak for themselves, with increased levels of comfort requiring significantly less energy for day-to-day living, reducing costs as well as greenhouse gas emissions.

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Community Housing Lead
Victoria Adams

For many low-income households, rising energy costs are an increasing problem. The most recent Australian Household Expenditure Survey found that rising energy costs disproportionately impact the budgets of low income households.

At the same time, community housing organisations typically have limited sources of revenue to fund new building and have generally faced challenges sourcing private finance. Lending has tended to be short-term, which is mismatched with typically long-lived housing assets.

The CEFC is working to close this funding gap by providing tailored long-term finance for energy efficient community developments, to deliver the benefits of clean energy to owners and tenants, as well as tackle household emissions.

This CEFC finance is supporting the construction of new market-leading energy efficient community housing, as well as energy efficiency retrofits to existing homes. The goal is to extend the benefits of clean energy to low-income families, through lower energy costs and increased sustainability.

This investment is especially important when the sector is expecting continued strong growth in order to meet the demands of the long waiting lists from approved low-income applicants.

HOUSEHOLD ENERGY USE

40%



HEATING AND COOLING

~30%



HOUSEHOLD APPLIANCES

21%



HOT WATER

8-15%



LIGHTING

CHANGE YOUR ENERGY USE THROUGH:

- ✓ GOOD BUILDING DESIGN
- ✓ ENERGY EFFICIENT TECHNOLOGIES
- ✓ SWITCH TO RENEWABLES



ENERGY COSTS AND AUSTRALIAN HOUSEHOLDS

Australia's households are responsible for around 12 per cent of our greenhouse gas emissions, as a result of natural gas and fuel consumption, and the use of hydrofluorocarbons in refrigerators and air conditioners. The majority of household-related emissions are associated with heating, ventilation and air conditioning, lighting and hot water systems.

Many households have reduced their electricity consumption over the past seven years by using more efficient appliances in homes and increasing uptake of rooftop solar systems. A world-leading 15 per cent of Australian households benefit from rooftop solar.

However latest Household Expenditure Survey, for 2015-16, reported a 26 per cent increase in household spending on energy compared with spending levels in 2009-10. While energy consumption in the residential sector was relatively flat in 2016-17, retail electricity prices for households in 2016-17 rose by six per cent and by almost 12 per cent in 2017-18, according to the Department of the Environment and Energy.

CEFC FINANCE IN ACTION HIGH PERFORMING HOMES FOR LOW INCOME FAMILIES

Not-for-profit community housing provider SGCH is delivering 500 new high-performing energy efficient homes in south and south-western Sydney, as well as retrofitting a further 4,000 existing properties with energy efficient technologies.

The CEFC has committed up to \$170 million to SGCH, as part of the first round of the NSW Government's Social and Affordable Housing Fund (SAHF).

The CEFC's finance is helping SGCH take construction to the next level, building the dwellings to an average 7-Star National Housing Energy Rating System (NatHERS) rating.

Energy efficiency and liveability are designed into the new buildings for a marginal cost, to provide ongoing benefits for tenants. Retrofits to the 4,000 existing properties include rooftop solar panels, new ceiling insulation, the replacement of electric water heaters with heat pump hot water systems and the switch to LED lighting.

SGCH has more than 30 years' experience in developing and managing sustainable, safe and affordable homes and connecting people to opportunity. It is recognised as one of the largest Community Housing Providers in Australia, providing homes for more than 8,500 people in 4,400 dwellings across Sydney.



We expect the retrofit program to collectively reduce energy bills by more than \$2 million every year. That's an average of \$550 per property each year.

*Scott Langford,
Group CEO, SGCH*



SGCH FUTURE PROOFS COMMUNITY HOUSING

\$170M
CEFC FINANCE

500
HIGH PERFORMING
ENERGY EFFICIENT HOMES

BENEFITS TO TENANTS

- ✓ NOW
- ✓ LONG TERM

CLEAN ENERGY RETROFITS

4,000
EXISTING HOMES

- SOLAR PV
- INSULATION
- HOT WATER
- LED LIGHTS



CLEAN ENERGY TECHNOLOGIES PROVIDE SOLUTIONS

CEFC research has identified 30 existing technologies that can be used to improve the energy efficiency of Australian residential property. These include solar PV, LED lighting and improved heating, ventilation and air conditioning systems. Insulation, energy storage, glazing and façade design also offer important energy efficiency benefits for residential property.

Key features driving energy use for low income households include:



1. THE BUILDING

older and poorly insulated buildings require more energy to heat and cool



2. APPLIANCES

older appliances are often less energy efficient than modern equivalents



3. ENERGY USE PATTERNS

people in financial stress often spend more time at home and are less mobile, increasing energy use

Source: CRC for Low Carbon Living and the NSW Office of Environment and Heritage

CEFC FINANCE IN ACTION CLEAN ENERGY HOMES FOR REGIONAL NSW

Families in three regional NSW cities – Bathurst, Dubbo and Orange – will benefit from 220 new highly energy efficient homes for low income families.

The CEFC has committed up to \$95 million to Housing Plus to deliver the homes, which will be constructed by local developers in the three cities.

A significant portion of existing Housing Plus dwellings in regional NSW will also undergo clean energy retrofits so that they require less energy to operate for day-to-day living.

Housing Plus is participating in the second round of the NSW Social and Affordable Housing Fund (SAHF) to deliver the new homes.

The homes, which will have rooftop solar and energy efficiency technologies installed, will be built to a minimum 7-Star National Housing Energy Rating System (NatHERS) standard. This is effectively a 40 per cent improvement on the energy efficiency achieved in homes built to the current minimum standard.

Clean energy technologies may include rooftop solar, battery storage, heat pumps, additional insulation, double glazing, smart meters, LED lighting, and energy efficient white goods.

Housing Plus will also expand its existing education program to help tenants adopt more energy efficient lifestyles. The CEFC will share the insights from this project with other community housing providers, through the Housing Alliance and the Community Housing Industry Association (NSW), to encourage the more widespread adoption of sustainable housing practices.



Our customers tell us that they would like to see improvements in the thermal comfort and energy efficiency of their homes. This initiative helps us ensure that all new properties are being built to the highest energy efficiency standards.

David Fisher,
Housing Plus CEO



CEFC AND HOUSING PLUS

CLEAN ENERGY HOMES
FOR LOW INCOME
FAMILIES IN
REGIONAL NSW

220
NEW HOMES

**BATHURST
ORANGE
DUBBO**

- SOLAR PV
- INSULATION
- DOUBLE GLAZING
- SMART METERS
- LED LIGHTS



CEFC COMMUNITY HOUSING PROGRAM

The CEFC Community Housing Program includes a range of tailored features to support community housing providers to invest in energy efficient and renewable energy solutions, to benefit tenants now and over the long term.

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| <h3>1</h3> <h4>ENERGY EFFICIENT NEW DWELLINGS</h4> <p>Designed and built to higher energy efficiency standards, benefitting tenants by reducing their energy bills and lowering the carbon footprint of the properties</p> | <h3>2</h3> <h4>TENANCY SUSTAINABILITY INITIATIVES</h4> <p>Finance for sustainability initiatives for tenants across new and existing dwellings</p> | <h3>3</h3> <h4>FLEXIBLE STRUCTURE AND PRODUCT</h4> <p>Provision of senior debt, sub debt and equity, developed to suit the needs of community housing providers for new and future projects</p> | <h3>4</h3> <h4>FIXED RATE FINANCE</h4> <p>We can offer fixed rate debt finance, as well as equity investments</p> | <h3>5</h3> <h4>TENOR</h4> <p>Longer-dated senior debt of up to 10 years, compared to typical tenors of 3-5 years, recognising the unique financing models of community housing providers</p> |
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NEED MORE?

email: info@cefc.com.au

ABOUT THE CEFC

The CEFC is responsible for investing \$10 billion in clean energy projects on behalf of the Australian Government. We help lower Australia's carbon emissions by investing in renewable energy, energy efficiency and low emissions technologies. We also support innovative start-up companies through the Clean Energy Innovation Fund. Across our portfolio, we invest to deliver a positive return for taxpayers.