



Image by Rory Gardiner for Studio Eight

Every home helps

There is a huge shortage of social and affordable housing in Australia. Every single night, more than 116,000 people don't have a safe place to sleep. With a shortage of 600,000 social and affordable houses, projected to increase to 1 million by 2036, the flow on effects make this one of Australia's biggest social issues.

Homes for Homes provides a way for the entire community to help solve the housing crisis, by raising funds for housing projects through donations from property sales.

Homes for Homes is a long-term generational solution to homelessness which relies on scale to be successful. It's a simple promise that homeowners make, that when a home registered with Homes for Homes sells, owners make a tax-deductible 0.1% donation of the sale price. These funds are pooled and granted to social and affordable housing providers to increase the supply of social and affordable housing.

By registering properties with Homes for Homes, contributions towards solving homelessness are amplified. As registered properties are bought and sold to new homeowners, a sustainable and stable funding source for future donations to Homes for Homes is created.

This document is to provide sales agents information on Homes for Homes, to communicate with potential homebuyers and encourage them to register or remain registered with Homes for Homes.

Above: Homes for Homes has received over \$2m in donations from homeowners. The donations have seen us grant funding to 17 projects which will house over 300 people. This four unit development by Women's Property Initiatives will house older single women who have assets that render them ineligible for social housing and have a limited income that prevents them from accessing a mortgage or owning a home of their own. This type of housing safeguards these women from homelessness.

What do I need to communicate to potential homeowners?

What is Homes for Homes?

Homes for Homes is an independent not-for-profit social enterprise that generates new funding to increase the supply of social and affordable housing. Homes for Homes is not a builder. We generate the funds for housing stock to be built.

How does Homes for Homes raise funds?

1. Homes are registered with Homes for Homes online or through developers. Once a property is registered Homes for Homes adds a caveat to the property title as a Special Condition. This is a caveat for good, simply a reminder of a homeowner's promise to donate if and when they sell.
2. When the home is sold, the caveat remains on the property title to encourage future donations to Homes for Homes. This caveat can be removed at any time.
3. 0.1% of the sale price will be donated to Homes for Homes. This is done via the settlements disbursement process – homeowners do not need to write a cheque or do any paperwork. After the donation is received a receipt is sent so homeowners can claim the donation on tax.
4. Donations will be pooled and granted to social and affordable housing providers in your state or territory. Money raised in a homeowner's state/territory will remain in their state/territory.
5. Thanks to the donation, social and affordable houses are built, and people who need it the most can have a place to call home.

Caveats have been traditionally used to prevent dealings on properties. Homes for Homes uses a caveat in a positive way. The caveat simply acts as a gentle reminder to donate. Homes for Homes will not block any financial or other dealings on the title.

Why should homeowners get involved? Why is social and affordable housing important?

- Everyone has a right to a safe and secure home, yet every night more than 116,000 people experience homelessness, and a further 1.5 million households are in housing stress.
- Homelessness affects all of us and is both a human and economic issue. A person experiencing homelessness costs society approximately \$40,000 per year as opposed to a housed person who costs about \$1,800 per year.
- There is a chronic shortage of 600,000 homes, projected to increase to over 1 million by 2036. More homes built means less homelessness.
- Homes for Homes is a simple and effective way to contribute and help provide those who need it the most with safe and secure housing. It's an easy initiative to be involved in that requires no upfront investment.

What happens to the funds that are raised?

Funds remain in the state or territory of the donation. Donations directly contribute to social and affordable housing projects in the state or territory of the donation.

Once the pool of funds is ready to be granted, Homes for Homes calls for expressions of interest from the community housing and property sector. Anyone can apply for these funds provided they will use them to increase the supply of social and affordable housing. Homes for Homes takes an open and flexible approach to the type of housing projects it will fund and awards funding to the most impactful projects.

How does the donation get collected?

The donation flows through the disbursements and conveyancing process seamlessly. Once Homes for Homes receives the donation, the donor will receive a donation receipt which they can claim on their tax.

Why is Homes for Homes a long-term solution?

The beauty of the Homes for Homes model is its ability to stay on title and generate funding toward social and affordable housing each time the property is turned over. Think of each donation as a drop of water, those drops grow and grow, and eventually become oceans.

Homes for Homes is a long-term, sustainable solution to homelessness:



1. Homes registered



2. Properties sold



3. Funds donated



4. Money distributed



5. Homes created

Will participation in Homes for Homes negatively affect the homeowner's property?

No. Donations are made to Homes for Homes by the seller – not the buyer – if and when they sell their property. That could be 1, 5, 10 years into the future – or possibly even longer. The caveat on the property title is there to simply remind homeowners of the promise to donate. Homes for Home is opt-out, if the homeowner decides they no longer wish to participate, they can withdraw at no cost by emailing enquiries@homesforhomes.org.au once they are the lawful owner of the property.

Will involvement in Homes for Homes affect purchaser and/or financiers?

Homes for Homes has support of the banks – both major and minor. We have operational contacts in almost every bank to deal with any concerns or queries. Homes for Homes will not hold up settlement and operationally, Homes for Homes flows through the loan process seamlessly. If a purchaser's financier or conveyancer has questions, feel free to refer them to the Homes for Homes team.

Can homeowners see a copy of the Special Condition?

Yes, just email enquiries@homesforhomes.org.au. Purchasers will see Homes for Homes in the Special Conditions of Sale and it's important they are made aware of it. It's also important to remind the purchaser that they will not make a donation now, the donation is made when they sell their property in the future.

Are there privacy concerns?

No. The special conditions disclose to the purchaser that the vendor may provide Incoming Owner and Property information (which may include personal information as defined in the Privacy Act 1988) to Homes for Homes for its use in operating Homes for Homes. The Incoming Owner consents to the disclosure of personal information for this purpose by signing the contract of sale.

Who else is involved in Homes for Homes?

Homes for Homes has significant support from developers. 40+ developers are on board and we are in discussions with a further 60+. The Australian Banking Association, finance and legal industry are also supportive. Check out our website to find more detail on partners projects.

I want to learn more about Homes for Homes, where can I go?

Visit our website, homesforhomes.org.au or call our office on 1300 767 918.

Homeless doesn't just include rough sleepers, they only make up 7% of all people experiencing homelessness. There are many vulnerable people in our community who can't access secure housing, this could be because they have lost their job, had a family breakdown, experienced family violence, have a physical or mental health issue or simply can't afford the private rental market.

How it works



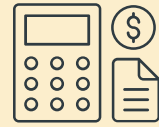
Developer sells a home to Tim Smith for \$500,000.



Tim lives in the property for 10 years and then decides to sell. He sells to Anna Lee for \$600,000.



Tim donates 0.1% of the sale price (\$600) to Homes for Homes. The donation is facilitated seamlessly through the settlement process.



Tim claims the donation on his tax. Anna won't donate to Homes for Homes until she decides to sell the property.

Homes for Homes benefits your buyer:

- Easy way to contribute to creating housing for those who need it most
- The buyer doesn't need to do anything – a donation is only made in the future, at the time they sell their property
- Can opt-out at any time
- The donation is tax deductible
- Feel good about making a positive contribution to solving one of Australia's biggest social issues
- **A person experiencing homelessness costs the taxpayer approx. \$40,000 per year in services. A housed person costs about \$1,800 – it makes social and economic sense for people to be safely and securely housed**

Homes for Homes benefits your development:

- Positive impact on sales, buyers are very receptive to Homes for Homes
- Helps to create a sense of community
- A good point of difference between your development and others
- Homebuyers like to hear that the development has a good social outcome
- You are doing a good thing! Making a positive difference in the lives of those who need a home.



As part of our first funding round, Homes for Homes awarded \$40,000 to Habitat for Humanity Victoria for the build of a social and affordable housing project in regional Victoria.

Couple Jema and Romel with young daughter Isla were chosen for this project and were handed the keys to their modern three-bedroom house in June 2019. Both parents have faced challenges in finding stable accommodation and can now leave behind a world of insecure housing.

The story of Jema and Romel is one which demonstrates the positive generational change that social and affordable housing can create. Jema and Romel have received an opportunity to live peacefully and give Isla the joyful future she deserves. Homes for Homes wishes to provide this opportunity to many more and is looking forward to creating a future where all Australians are in secure housing.

