

Request for Costing an Election Commitment

Name of policy proposal:	<i>Bringing HomeGround Real Estate to Canberra</i>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	The ACT Greens will create an innovation fund to support new approaches to affordable housing, starting with support to establish HomeGround Real Estate here in Canberra
Issue the proposal will address:	<p>The proposal will address rental affordability through the creation of an innovation fund – with the first portion of the fund (approximately \$100,000) used to support HomeGround.</p> <p>HomeGround is an innovative, not-for-profit real estate agency currently operating in Melbourne. The HomeGround model allows socially-conscious landlords to have HomeGround Real Estate manage their property at a reduced market rent, or on a philanthropic basis.</p> <p>The agency is an industry standard service that provides professional property and tenancy management services like any other agency. The defining feature however, is that the management fees are re-directed back into the Affordable Housing Initiative arm of the enterprise.</p>

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

Dollar limited commitment of \$300,000 to provide start-up financial support to establish innovative housing affordability initiatives, starting with the HomeGround Real Estate model here in Canberra.

A portion of funding from the innovation fund may be used to market the service, provide seed funding for the employment of a Real Estate Principal, find a Community Housing Provider to partner with and undertake Tenancy Management and acquire a Real Estate License, to give the model the best chance of success in the ACT. Any remaining funds could be used by the Directorate to support other organisations in a similar capacity.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)	-0	-0	-0	-0	-0
Expenses^(a)	-0	-300	-0	-0	-300
Capital	-0	-0	-0	-0	-0
Depreciation	-0	-0	-0	-0	-0

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?
Information about the model - HomeGround
Where relevant, is funding for the proposal to be demand driven or a capped amount?
Dollar limited (capped) for one year.
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding)?
No.
Will funding/the cost require indexation?
No.
Who will administer the proposal?
Housing ACT
How will the proposal be administered?
The Directorate to manage the innovation fund and liaise with the HomeGround team to establish a Canberra-based agency.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Part of the capped amount (up to 0.4 FTE x ASO 6) to be allocated to Directorate to manage the fund and administer the fund.
Will the proposal generate savings or offsets?
No.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Improved rental affordability, and the creation of an avenue for socially-conscious landlords to drive down rental prices for people who struggle with cost-of-living pressures.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No.
What is the intended implementation date of the proposal?
2017-18

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?

2017-18

Will the proposal cease, and if so, when?

2017-18

Is there any additional information relevant to this proposal?

No.