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First State Super leads affordable rental housing for key workers

First State Super has announced a pilot investment in affordable rental housing, a first in institutional investing in Australia.

The initiative involves 61 residential apartments in Epping in Sydney's North-West. Through this investment, First State Super will make these apartments available for rent to key workers at 80% of the market average rent for the area.

First State Super Chief Executive Officer Deanne Stewart said the Fund had been investigating ways to support more affordable housing in Australia for some time and was delighted to have taken this critical first step.

She said the pilot would provide affordable rental accommodation for key workers, such as First State Super Members, and be part of the solution to a significant social issue for many.

'Our members are key workers in the community; teachers, nurses, police and emergency services workers. They don't do their jobs for the financial returns alone, they do them because they care for and protect our community,' Deanne Stewart said. 'The high cost of rental housing in metropolitan areas, means many Australians, like our members, cannot afford to live within a reasonable distance of their workplace and families, resulting in long commutes and significant impact on their general wellbeing.'

'As one of Australia's leading super funds we believe we have a role to play in addressing this issue. The high cost of land and construction has previously limited our ability to invest in this sector, however in this instance we have been able to overcome these challenges.'

'Through this pilot, we not only provide much needed affordable housing, but will also deliver an appropriate return for our members.'

First State Super's Head of Income and Real Assets Damien Webb said the Fund had teamed up with Altis Property Partners to acquire the apartments in one line and Echo Realty, a division of Evolve Housing, to market the property and manage the application process. To be eligible, prospective tenants must meet maximum income and asset thresholds.

'We know affordable housing is a challenge for many of our members and we're working hard to find ways we can help our members to achieve a better outcome now and into the future. This challenge is ongoing.' Damien Webb said 'We are pleased to get this first venture up and running and look forward to welcoming the first residents shortly.'

Deanne Stewart said First State Super would continue to investigate ways to invest in similar affordable housing projects but, said the long-term solution to the issue would require a collaborative approach.

'At First State Super our primary objective is to deliver a strong, sustainable investment return for our members. While we will continue to seek out opportunities like our pilot in Epping, it will take the combined effort of government, community housing providers, developers and investors to deliver affordable housing solutions at scale.'

We are committed to achieving better outcomes for our members and we will continue to take a leading role in this space.

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Note to Editors:

First State Super is one of Australia's largest industry funds providing superannuation, advice and retirement solutions to those who teach, nurse, care, respond and help others in our communities.

We aim to deliver strong long-term returns and keep our fees low, so members can retire with more. We have a diverse range of investment options and we provide members with access to advice about their super and the investment options available to them.

The way we invest benefits members as well as the communities in which they live work and retire. With \$95bn in assets we often invest directly in assets that create jobs and benefit communities.

We believe in the value of advice and the difference it can make to our members retirement outcomes and are proud to offer members access to our over 220 qualified financial planners across 150 locations. We also host over 300 free seminars across Australia each year - some in the workplace and others in community-based locations.

We have achieved the highest platinum performance rating from SuperRatings for the past decade. ChantWest, another independent rating agency has awarded us their highest 5-star rating.

We're dedicated to helping our members 'Feel future ready'.

Altis is a private real estate funds management business managing over \$3 billion of assets for predominantly institutional clients. For more information please visit www.altisproperty.com.au