



# MAKING IT WORK IN PRACTICE

FOUNDATION HOUSING & CEDARWOODS PARTNERSHIP, SOUTH HEDLAND

## The Project

State (Department of Regional Development & Lands) tender for several ha of urban land across South Hedland, with potential for 370 units across 12 sites, including 70 units of affordable housing and 20 units for indigenous housing. The joint venture proposal secured a prime 11ha development site, yielding some 140 lots and 180 dwellings.

## The Issues

No requirement for affordable housing but creation of a Cedar Woods Properties and Foundation Housing partnership to address affordability and need for Aboriginal housing in South Hedland.

Partnership at the Joint Venture submission stage which enabled the financial impact of affordable housing to be considered as part of the initial project business case.

Extremely high development costs in South Hedland, and the Pilbara generally, which make it essential for market intervention initiatives for affordable housing to be considered at the outset.

## Developing Solutions – why it worked

Creation of a strategic alliance amongst project partners.

Bringing Foundation into the project at the earliest stage – prior to EOI submission – which made Foundation an integral partner in the proposal.

Successful negotiation by the JV partners of a 15% discount in the land acquisition price, which was translated into 15% of the developable area being provided for affordable housing at cost.

With the land transferred to Foundation Housing and Indigenous groups at cost price this represents approximately 40% below market value for land.

Further leverage by Foundation Housing to receive additional State funding, in its own right, through Royalties for Regions, to further offset land and building costs.

Early involvement in the land procurement process which has further enabled the creation of purpose designed lot product and allocation of densities. This maximises housing yield efficiencies which better address the needs of priority affordable housing clients.

Products aimed at different end users across the – social, key worker and subsidised market rent.

