

## BHC 'mixed tenure' affordable property model thrives



*Quadrant Apartments, Chelmside – Mixed tenure development by BHC creating liveable communities.*

**B**HC, formerly known as Brisbane Housing Company, is accelerating its innovative development program which focuses on meeting the needs of low to middle income earners who require inner city housing.

BHC is continuing to put runs on the board in dealing with Australia's affordable housing challenges through what CEO David Cant said is a 'mixed tenure' model.

"At BHC, our core focus is on this group of low to middle income earners who need inner city housing close to their employment, but are unable to pay the requisite high rents," Mr Cant said.

"We believe the most sustainable means of meeting Australia's affordable housing demand is through a mixed tenure model. Mixed tenure incorporates three components of housing within each development: affordable rental housing owned and managed by BHC; key worker housing that is part of the National Rental Affordability Scheme (NRAS); properties sold to owner-occupiers and investors."

Mr Cant said BHC's record – already having provided more than 1500 homes in the Brisbane region – showed that through mixed tenure, affordable housing can be synonymous with high-quality, architecturally designed, environmentally sustainable living.

"The model has proven to be both financially and socially sustainable."

The way BHC operates financially, private sales provide ongoing income which is reinvested into future projects, while strong tenancy management offers investors peace of mind.

"A commercial development focus also incorporates the selection of prime locations and delivery of high-quality liveable designs," Mr Cant said.

"In just over four years, the mixed tenure model has helped more than 2600 Queenslanders into high-quality affordable housing. It has demonstrated that we can face the challenge and provide affordable housing for those Australians who need it most."

According to the State of Supply report by the National Housing Supply Council, Australia will require 3.3 million more dwellings by 2029. Demand for housing continues to outstrip supply, Mr Cant said, and a growing number of Australians were being priced out of the buyers' market, or unable to afford skyrocketing rents.

BHC is a Queensland Leaders 2014 executive member.

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## Mullins: M&A 'light at end of the tunnel, or another train coming?'

**A**CCESS to credit is probably the biggest single factor affecting mergers and acquisitions in Australia at the moment, according to Mullins Lawyers associate David Callaghan.

Asked to consider the M&A market for business mentor organisation, Queensland Leaders, Mr Callaghan said another feature of the present uncertainty in the market was the impact of Basel III Protocols for bank capitalisation brought about as a consequence of the global financial crisis.

"The greatest inhibitor I see in relation to the buy side is the access to

credit and buyers now find it far more restrictive as a result of the GFC Basel III Protocols to access funding," Mr Callaghan said.

"These rules have, and will continue to create obstacles, for buyers and sellers of businesses."

Mr Callaghan said he could see "fertile ground" for the emergence of new providers of credit to assist cash flow lending in the sale and buying of businesses.

"This trend has already commenced with the rebirth of merchant banks in the United Kingdom and the creation of new lenders in the USA," he said.

"The climate for M&A is now becoming brighter but the takeoff in the marketplace will initially be slow and the signs are it will grow later in 2014 and beyond."

Mr Callaghan said for the past six years it had been extremely mixed in the M&A area.

"We did see towards the end of 2012 a purple patch of successful transactions,

but 2013 has been a year of flux whilst we all waited on the outcome of the federal election," Mr Callaghan said.

"Good deals, whether on the buy or sell side, occur in tough markets but the level of the buyer's confidence is critical in assessing whether or not timing is right."

"Any business owner must always have an eye for exit or a potential acquisition of a bolt-on business and work towards ultimately making the business attractive to a buyer."

Mr Callaghan said he advised Mullins Lawyers clients to think of their businesses much as they would preparing a home for sale.

"It is not unlike selling a home, you must make it pretty so that buyers have a warm feeling about wanting to buy your business which will maximise your price."

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