QoN No. 86

Standing Committee on Health and Community Wellbeing

Inquiry into Annual and Financial Reports 2021-2022
ANSWER TO QUESTION ON NOTICE

Asked by Mr Mark Parton MLA:

Reference: Hearing on 10 November 2022, CSD Annual Report 2021-22, p. 108.

In relation to: Growing and Renewing Public Housing

In relation to 343 properties being sold reinvesting $283.5 million into the program. This averages out to around $826,530 per property. Given the increase in property prices recently.

(1) Did property prices exceed your expectation for sale price?

(2) How many properties of the 343 were sold between 1 July 2021 and 30 June 2022?

(3) Was 100% of each sale price minus agent fees etc reinvested into housing or only a smaller percentage?
    (a) If a smaller percentage what was this?

    (b) Where did the remainder go?

Yvette Berry MLA: The answer to the Member's question is as follows:

(1) Housing ACT undertakes to revalue the Territory's public housing portfolio on tri-annual basis, or where market movement over a single 12-month period exceeds five per cent.

    Given the significant level of market movement since the Growing and Renewing Public Housing Program's commencement in 2019-20, the portfolio has been revalued twice. Subsequently, Housing ACT's book values, budget assumptions and Program modelling has been updated accordingly to reflect the most accurate point-in-time data available.

    As such, at various points in time, actual sale results have aligned with, exceeded, and under-performed when compared with book values and Program assumptions; however, have at all times remained consistent with broader market trends and been validated by professional valuation advice.

(2) 153 properties were sold as part of the Growing and Renewing Public Housing Program, in the 2021-22 financial year.

(3) With the exclusion of fees incurred as part of the sale process – marketing costs, agency commissions, conveyancing fees, valuation advice, etc – all proceeds have been/are being/will be directly reinvested in to the Growing and Renewing Public Housing Program. In 2021-22, the Program received more revenue than the expenditures incurred throughout the financial year. However, any unspent cash at the end of the financial year belonging to the Program, has been and will be automatically transferred to the following year's program.

(a) N/A – see above.

(b) N/A – see above.

Approved for circulation to the Standing Committee on Health and Community Wellbeing

Signature: Date: 13/12/22

By the Minister for the Housing and Suburban Development, Yvette Berry MLA