



# **SUBMISSION**

**TO**

**PRODUCTIVITY COMMISSION**

**FIRST HOME OWNERSHIP  
AFFORDABLE HOUSING**

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# 1. SUMMARY (for public display)

This submission is made by a committed team of professional organisations that have a solution to the first home ownership problem. We have the capacity and the expertise to deliver sustainable affordable housing to first home owners and the ability to resolve many of the problems associated with affordability, disposable income, foreclosure in the case of hardship, housing stress and housing of the homeless and under privileged. This can be achieved without the need to change planning and approval processes, legislation or the existing Federal and State tax environments.

This solution is available through the Australian Property System Limited (APSL) Patented Property Process. The APSL System is a paradigm shift in the way we have traditionally thought about property development or the provision of affordable housing. It provides an innovative and flexible solution that offers the unique ability to deliver a sustainable housing solution that will benefit both the short term and long term social and economic needs of Australia.

There has not been a major innovation in the Australian property industry since the introduction of the Strata Titles Act in 1962 which was championed against all odds by Gerardus Jozef Dusseldorp, the founder of Lend Lease. The APSL system has gone through ten years of research and development and has had many similar obstacles thrown at it as those that were faced by Dusseldorp some 40 years ago in his six year fight to implement the Strata title system. The introduction of the strata title act in 1962 allowed banks for the first time to finance end purchasers into higher density developments which provided an affordable solution for housing at that time. The APSL System is currently delivering an innovative property product to the Australian marketplace much the same as Lend Lease did 40 years ago, and is bringing a much needed innovative change to the property industry for the benefit of all industry stakeholders.

The APSL innovative process addresses the cost side of the equation and delivers many benefits that are unavailable in the traditional antiquated system. One of the key benefits of the Patented APSL System is the elimination of project debt within commercial, industrial, retail and residential strata title developments. This paradigm shift substantially reduces risk, delivers consistent quality product, can eliminate the many conflicts of interest that arise in the traditional property development process, deliver a higher return to investors and lower cost to owner occupiers, with a low risk profile for all stakeholders.

The main advantages of the APSL affordable housing Solution is as follows:

1. 50% to 80% positive shift in affordability which substantially lowers the entry level to home ownership for lower income Australians.  
 For example, if we looked at a particular property, say a brand new 3 bedroom 2 bathroom house for say \$250,000 in Melbourne, that had a \$212,500 mortgage (85% lend), the repayments on the loan would be approximately \$294 per week (this would require a purchaser to be on Approximately \$55,000 per annum wage before a bank would lend, which cuts out many wage earners from buying).  
 If an investor owned the property the rental on the same property would probably be \$240 per week (still out of reach of many wage earners).  
 Whereas the APSL System delivers a weekly repayment on the same property of \$180 per week with a low deposit savings period (an income of \$35,000 will qualify for a lend on this repayment) this property is now available to a substantially larger proportion of wage earners. In certain States this comes down to \$27,000 income per annum.
2. A positive shift in disposable income which can substantially reduce housing stress.
3. The delivery of a liquid investment product which provides another source of income and brings some liquidity to residential ownership.
4. Provides in the case of financial hardship by the first homeowner, a period of 3 to 5 years of repayment servicing therefore substantially delaying foreclosure.
5. Wealth creation without the total reliance on a single asset class.
6. The delivery of a quality housing product which is underwritten by the way the APSL system works
7. An ongoing incentive for the APSL asset management team to ensure the housing asset and the estate is maintained to a high standard over the life of the housing product. This provides a positive contribution to asset value and creates a proud social environment and underwrites future wealth for homeowners.
8. Every Homeowner receives a financial plan which provides a positive platform for financial education.
9. Provides at no cost within each development the ability for a reasonable percentage of the homeless and under privileged to be housed in mainstream developments rather than be stereotyped. This can give these people a sense pride and hope that is not currently available in our society today.

The committed team of professional organisations that deliver the product associated with the APSL System have expertise in the following areas:

- Asset Management
- Development management

- Design and Construction
- Property tenancy and facility management
- Valuation
- Professional Property Advice
- Establishment and management of investment funds
- Quantity Surveying and Project Auditing
- Transaction and database management
- Financing of affordable housing for homeowners
- Investment advice for first homeowners
- Wealth creation expertise to educate first homeowners in how to service their future welfare requirements
- Public Relations
- Advertising and Media
- Ability to deliver sustainable solutions for the delivery of Aged housing, welfare housing, social housing and affordable housing.

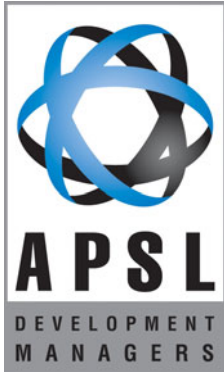



The APSL System and its associated models can be implemented immediately and will deliver positive outcomes for Federal, State and Local Government by giving low and middle income Australians the opportunity to purchase a home at a weekly repayment substantially lower than current principle and interest repayments and substantially lower than they would pay in rent for a similar property. This significant shift in affordability and disposable income will bring mainstream economic benefits to the Australian economy and improve future living standards if the APSL system is delivered in reasonable scale.

The implementation of the APSL System to a scale required to meet the current problem of affordable housing will require Federal, State and Local Government support unilaterally. The palatable part of the APSL System is that it will not require large financial outlays by Government to achieve the outcomes.

A quote from the Housing Affordability Consortium states that evidence suggests adequate affordable housing is necessary to achieving and maintaining an inclusive, innovative and productive society. Market failure in Australian housing markets reflected by an inadequate supply of affordable housing, means that current housing policies are inadequate and inimical to Australia's long term welfare. A "do nothing" approach in the face of rising housing affordability problems is a threat to future living standards.

The Productivity Commission should commit the necessary resources to carry out substantial due diligence on the APSL System prior to delivering its report. The due diligence process will take a number of workshops with the APSL team and this will require the Productivity Commission to sign a Confidentiality Deed.

## 2. DETAILS OF INTERESTED PARTIES

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	Director Online Strategy – Warren Barry
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**3. APSL AFFORDABLE HOUSING BROCHURE**  
**(for public display)**

Copy of brochure in pdf file  
- attached

## **4. PROPOSED MODEL**

**(Commercial in Confidence – not for public display)**

Sustainable Affordable Housing  
Solution