

ACT government raises millions from inner suburb sell offs

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Sales of Canberra public housing properties have raised \$100 million in the past three years, with expensive inner north and inner south assets among those sold to fund new accommodation across the ACT.

Analysis of ACT government data shows of the 209 public housing properties sold since 2013-14, 106 have been in inner north and inner south suburbs, with the most lucrative sale in the period a Griffith property that was auctioned for \$1.175 million.

The government's Community Services Directorate manages a portfolio of about 11,600 properties, worth an estimated \$4.5 billion.

As part of the longstanding "salt and pepper" policy of distributing public housing properties around Canberra's suburbs, valuable inner city properties are among those being sold to raise money for renewal. Ageing houses, those with poor energy efficiency ratings and high maintenance costs are also being targeted for sale.

In 2013-14, 89 properties were sold with a combined value of \$38.76 million. In 2014-15, 78 properties were sold, raising \$39.86 million, and so far in 2015-16, 42 properties have been sold with a combined value of \$17.89 million.

Properties in Griffith and O'Connor have been the most lucrative each year in the period, with the top 10 sale prices dominated by the inner north and inner south.

So far in the 2015-16 financial year, the most expensive sales have included two O'Connor properties sold for \$941,000 and \$890,000 and two Ainslie properties sold for \$826,000 and \$785,000.

Some former public housing properties are sold to tenants, aiding transition to home ownership. The government also engages in infrequent "build to sell" projects, where land is developed as mixed tenure housing. Properties are sold to the market to avoid large concentrations of public housing on single sites, with proceeds then used for other capital initiatives.

Two recent build to sell developments in Garran and Turner have raised \$7.56 million and \$9.69 million respectively.

Money from property sales is used to fund the government's public housing renewal strategy, with net increases through purchase and construction recorded in each of the three years. So far in 2015-16, 59 replacement properties have been bought and 51 built.

A range of suburbs in the north and south all had small numbers of newly built or purchased homes in the period, ranging from one dwelling, to dual occupancies to three, five or eight dwellings in each suburb.

Suburbs with groups of 10 or more new properties in the past three years include Turner, Spence, Chisholm, Garran, Gungahlin, Casey and Jacka. The largest number of new properties was 24 in Garran in 2014-15, and 40 dwellings in Gungahlin's Common Ground project in the same year.

Housing and Community Services boss David Matthews said the portfolio needed to remain modern, accessible and efficient. The sales strategy included selling off legacy assets originally built as public service accommodation, predominantly in the established inner suburbs.

"The public housing portfolio is a very important public resource," he said.

"We have to make sure that we maintain it, that we turn it over to make sure that we are reducing the average age. Mostly importantly, we need to make sure it remains fit for purpose, that it fits the needs of different tenant groups."

"We're using that opportunity to maintain levels of housing in established areas but also to sell higher value properties, where appropriate, to make sure that we can build or buy more appropriate housing in other locations.

Mr Matthews said building new housing contributed to the ACT economy. Local builders and architects have completed more than \$77 million of new work since 2013-14.

He said there could be surprise in the community about the value of some public housing assets.

"The characteristics of the public housing portfolio generally sit at the average end of the property market in the ACT, if not slightly below average. We are certainly not a high-end property owner," Mr Matthews said.

The average annual maintenance cost for public housing dwellings in Canberra is \$3300, while the average cost to design, build and fit out a new dwelling in 2014-15 was \$415,000.