

Group promises \$10m facelift for low-income housing

RENTAL BOONTS

RENTAL HOUSING BOOST FOR CITY

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"We had to consider if owning rental houses is a core council strategy," he said.

"Now the transfer of ownership will give the association leverage to increase rental housing stocks."

Cr Jacinta Ernaccora said the arrangement would help fulfil the council's commitment under its new four-year strategy to provide affordable housing.

"It's a win-win for the city," he said.

Loddon Mallee Housing Services already manages seven rental properties in Warrnambool and more than 440 in other parts of the state.

Last month it announced a \$10 million expansion in Geelong and it has plans to expand into other areas.

Loddon Mallee's deputy chief executive Trudi McClure de-



Loddon Mallee deputy chief executive Trudi McClure.

"an exciting initiative".

She said the new Warrnambool properties would be a mixture of two and three bedroom units and houses scattered around the city.

The deal was first mooted in 2004 when the city council shared its desire to ease the shortage of affordable rental housing.

WHO QUALIFIES?

Loddon Mallee Housing Services is one of eight not-for-profit associations providing rental accommodation for low to moderate income households under State Government guidelines.

Rental applicants must have links with the local area and an income of less than \$87,000 and realisable assets of no more than \$30,000.

Households that require major or full disability modifications must not have assets exceeding \$60,000.

Part of its charter is to help those who have been excluded from buying into the property market and forced to depend on private rental.

Recent figures show that Warrnambool has one of the highest private rental market rates in regional Victoria.

By PETER COLLINS

A NEW era in affordable rental housing has arrived in Warrnambool, with a major housing association to spend \$8 million on new stock.

The commitment by Loddon Mallee Housing Services has been kick-started by a deal in which the city council will give 13 properties to the Bendigo-based not-for-profit association.

Yesterday, the association said the land ownership transfer would give it the financial leverage to build a further 28 high-quality new units and houses in the city, at an estimated cost of \$7.9 million. Construction is expected to generate about 20 jobs during the next two years and support another

20 jobs in the region. Councilors last night unanimously agreed to transfer ownership of the land in Merrivale and west Warrnambool, which had been leased out for more than 30 years under a deal with the Office of Housing.

According to a report aired at last night's meeting, the properties have a capital improved value of \$2.2 million and a site value of \$1.3 million. However, the ageing rental houses were due for substantial renovation.

Although the council will lose regular rental income it will gain new rates revenue. Mayor Cr Michael Neoh said the deal was a "best case scenario" to exit the properties.

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