



HOME OWNERS PARTNERING EQUITY

Home Sooner



INVEST WITH HOPE

Information Pack for Investors





What's in THE PACK?

- 03 Who is HOPE & How shared equity works
- 04 Benefits of investing in the HOPE Fund
- 05 Investor case studies
- 06 Fund results
- 07 Megatrends in the Australian residential property market
- 08 The alternative to direct property investing
- 09 Investor feedback
- 10 Meet the team

Who is HOPE Housing?

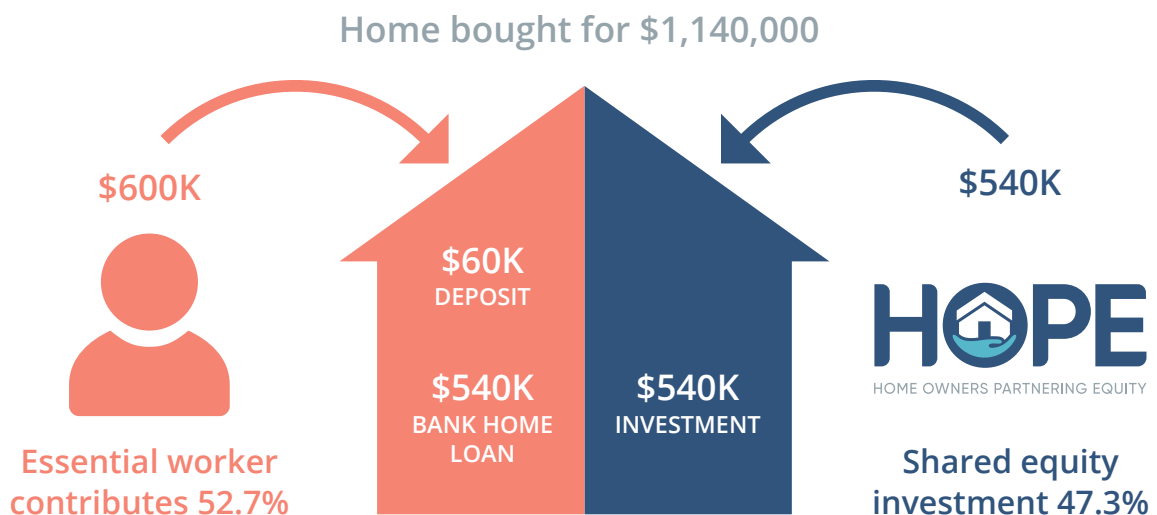
Launched in 2022, the HOPE Investment Trust, an unlisted property fund, enables investors to gain access to the long-term capital growth of the Australian residential asset class without being a landlord.

Using a shared equity model, the Fund makes equity investments in vetted homes owned and occupied by Australian essential workers, with no land tax costs incurred by the Fund. By housing essential workers closer to where they work, the Fund generates a measurable social impact return. This is measured through reduced commute time, job satisfaction and improvements to mental health and financial wellbeing.

How shared equity works

Shared equity is a strategic investment model where investors participate in the equity growth of a property, distinct from traditional debt financing. In this arrangement, investors share in property appreciation while homeowners are responsible for all purchase, maintenance, and sale costs. This model ensures a strong alignment of interests between homeowners and investors, fostering sustainable and mutually beneficial returns driven by property value growth.

Here's an example of how shared equity works at the time of purchase



Benefits of investing in the HOPE Fund



No upfront and ongoing property investment expenses

This investment does not incur stamp duty, rates, strata and maintenance costs for the investor.



Hassle free

No tenancy management responsibilities – our homes are owner occupied.



Vetted properties and homeowners

The Fund sets tight parameters on assets and homeowner selection to meet return targets.



Scaled access to residential property

Unitised exposure allows investment in the Fund's diverse property portfolio, rather than being tied to a single property, as may be the case through a direct investment.



Rated fund

The fund is rated Investment Grade by Evergreen Ratings¹.



Experienced team

The HOPE Housing management team and advisory board have been recognised nationally for their pioneering work in developing the co-investment model.²



Socially responsible

Strong financial performance paired with quantifiable social returns. Keeping essential workers living close to where they work is good for all of us.

Access all of this with a minimum starting investment of \$100k

Investor case studies

Tim Norton

Entrepreneur and Property Investor



Tim has a proven track record for identifying emerging market trends and crafting timely solutions. His experience spans several successful ventures, demonstrating his ability to foresee big changes and adapt accordingly.

Through a business acquaintance, Tim built a large portfolio of townhouses. However, he acknowledges the challenges that came with it, such as maintenance, rates, and land tax. "The Victorian land tax regime in recent times has just gone off the scale," Tim laments, highlighting his recent efforts to lighten the load of these properties.

A pivotal moment in Tim's investment journey was his encounter with the HOPE Fund, an investment that not only offered financial returns but also had altruistic elements. "HOPE appealed to me because it helps people achieve something that might otherwise be out of their reach," Tim explains.

Nicola Paramor

Property Executive and Director of Paramor Family Foundation



Introduced to HOPE Housing by her adviser, Justine Morton from wealth management advisory firm Providence Wealth Advisory Group, Nicola felt HOPE's shared equity model was a good fit for the foundation both for its investment returns and impact.

"HOPE has a good, solid return over a ten-year period, and I think the whole thesis around providing housing for essential workers and front-line workers is really important – they give a lot to our community, and to be able to provide a solution to their housing needs is pretty special," Nicola said.

"I was also drawn to the HOPE team led by (CEO) Tim Buskens and the high-quality board that clearly has a mission to try and solve for the increased cost of housing and to better the lifestyles of families that haven't previously been able to get into the property market," she said.

Performance information

PORTFOLIO GROWTH
12 MONTHS TO JUN '24

Property Assets
in Portfolio^(A) **12.2%**

CORELOGIC INDEX®
12 MONTHS TO JUN '24

All Dwellings
Sydney^(B) **6.3%**

HOPE'S PERFORMANCE BENCHMARK

SOCIAL RETURN ON INVESTMENT
12 MONTHS TO JUN '24

Social Value Created^(C) **13.5%**

Key Fund facts³

Net Asset Value of Fund (as at 30 June 2024)	AUD \$16.6mil	Inception Date	October 2022
Total Value of Properties (as at 30 June 2024)	AUD \$28.2mil	Term	10 Years
Management Fee	0.5%	Asset Class	Real Estate: • Residential property; • Established houses or units (not 'off the plan' properties); • Limited to owner occupiers; and • Owned by essential services workers.
Performance Fee	Nil	Domicile	Australia
Distribution Frequency	Quarterly	Fund Type	Unregistered managed investment scheme
Minimum Investment Amount	\$100,000	Investor Type	Wholesale & Sophisticated Investors only

Portfolio characteristics

Number of holdings (as at 30 June 2024)	17	Free Standing Dwellings: Units (ratio)	82:18
Essential Worker Categories (includes partners/spouse)	Teachers: 4 Police: 10 Nurses: 2 Social Worker: 3 Ministers of Religion: 7	Actual transaction size of individual assets (i.e. residential homes)	\$1m - \$2m

Growth drivers in the Australian residential property market

Capital growth is often considered the most compelling reason to invest in residential real estate in Australia, overshadowing rental yields. The steady appreciation of property values over time not only builds wealth but also offers significant potential returns when properties are sold.

Despite the rise in property values, Australian rental yields have not kept pace. Average house rental yields have decreased from 4.0% in 2012 to 3.5% in June 2022, with unit rental yields also experiencing a decline. Over the past 50 years, Sydney house prices have demonstrated a long-term capital growth return of 9%, underscoring the substantial benefits of investing in real estate for capital growth.

The 5 Megatrends driving capital growth in Australian residential property for owner-occupiers



Population Growth and Supply Constraints

Migration will continue to drive increased demand for housing, impacting real estate prices and construction activity⁴.



Demographics

Increasing number of women in the workforce and Australians delaying retirement and living for longer will be contributing factors to rising household incomes, which will support continued borrowing power ability⁵.



Wealth Transfer

\$4.9 trillion in wealth will be passed from Baby Boomers and their parents to the next generation by 2034⁶. A portion of this wealth will likely be re-leveraged into millennial and Gen Z home ownership aspirations, which remain high.



Tax & Government Policies

Around 70% of Australian household wealth is tied to the value of homes (which is made up of land and dwellings). Changing favourable CGT and land tax settings for owner-occupiers is politically challenging⁷.









Homeowner Behaviour

Owner occupiers have been shown to be more likely to delay selling a property to achieve a positive capital growth outcome. This behaviour leads to a greater proportion of owner-occupiers making a capital gain on their asset, as opposed to landlords⁸.

An alternative to direct property investing

The HOPE Fund provides an alternative for property investors to access the returns of the Australian residential property market, with the added benefit of enabling home ownership, rather than locking up stock for rental purposes. The table below compares direct property investment to investing in the HOPE Fund.

HOPE Housing Investment Trust vs Direct Property Investment

	HOPE Fund (Co-Investment model)	Target Return 10% p.a. (net of fees, expenses)	Direct property Investment (Private landlord model)	Average Return 8.0% p.a. ⁹
 <p>Council rates, strata fees, property manager fees, insurance, repairs & maintenance, water rates</p>	<p>No cost to investors</p> <p>Participating homeowners are on title and responsible for all property expenses, to the benefit of HOPE investors.</p>		<p>Investors bear cost</p> <p>Landlords are on-title and responsible for all property expenses and maintenance.</p>	
 <p>Taxes</p>	<p>No cost to investors</p> <p>Participating homeowners are on title and benefit from the principal place of residence exemption in NSW. HOPE investors should have no land tax obligations on NSW based HOPE investments.</p>		<p>Investors bear cost</p> <p>Land tax is payable on land that exceeds the land-value threshold and where no owner-occupier exemption can be accessed.</p>	
 <p>Diversification benefits for investors</p>	<p>Strong diversification benefits</p> <p>The HOPE Fund will have equity interests in hundreds of investment grade residential properties (units and free standing dwellings), across a range of suburbs and areas with strong growth profiles.</p>		<p>Limited diversification for investors</p> <p>Direct investment in one or a handful of residential assets exposes investors to a higher degree of asset and location related risk.</p>	
 <p>Access to capital growth</p>	<p>Distributed over the course of Fund life</p> <p>Equity buyouts, refinance and sale events generate liquidity over the course of the life of the Fund (10Y) and potentially enable investors to access capital growth linked returns sooner.</p>		<p>Limited Access to Capital Growth</p> <p>Capital growth returns are only accessible at a sale event and subject to point-in-time market conditions.</p>	
 <p>Rental income</p>	<p>Equity buyouts replace rental income</p> <p>Homeowners can progressively increase their ownership stake in the property through HOPE's innovative mortgage and equity integration structure, with full ownership achievable in 10Y.</p>		<p>Rental income net of expenses may be minimal to negative</p> <p>1.3m property investors posted a rental loss in FY20, with losses set to increase as interest rates rise.¹⁰</p>	
 <p>Leverage costs</p>	<p>Access to lower-cost debt</p> <p>Investors benefit from the Fund's ability to access lower cost debt funding to leverage its equity investments, reducing the unit holder cost base.</p>		<p>Higher retail debt cost</p> <p>Investors subject to higher cost retail rates for investment property loans and lower LVRs, increasing the cost base and reducing the overall return.</p>	



Buying our own home with HOPE has been a dream come true – without financial strain or having to forgo aspirations to grow our family.

Ashley (School Teacher), Charles & Family
Mascot, Sydney

HOPE's given us financial certainty – knowing our housing expenses are being invested in a great asset instead of rent.

Eliza (Emergency Nurse), Todd & Family
Cromer, Sydney



It was reassuring to have HOPE on my side, keeping me to my limits, making sure all the checks were done before I put in an offer. It felt like an extra safety net.

Sophie (Clinical Nurse Educator)
Kensington, Sydney

Want to learn more?

BOOK A MEETING WITH OUR INVESTMENT TEAM:



Jessica Ellerm



Evan Hinchliffe

 investment@hopehousing.com.au  [Click here](#) to book a meeting

ADVISORY BOARD

The HOPE Advisory Board has supported and guided the management team along the journey. The commitment made by these individuals demonstrates their support for our vision and has been invaluable in its design and execution.



TIM SIMS AM

Founder and Managing Director of Pacific Equity Partners, overseeing over \$8bn of assets under management.



SAM KONG

Managing Director and Chief Operations Officer of Pacific Equity Partners.



MICHAEL DWYER AM

Chair of NSW TCorp and Director of IRESS. Former Chief Executive Officer of Aware Super.



RICHARD BRANDWEINER

Chair of Impact Investing Australia and former Chief Executive Officer of Pental Australia and Chief Investment Officer of Aware Super.



PHILIP LEVINSON

Chief Executive Officer of Penmount Partners, a capital market advisor for global private real estate. Former Chief Executive Officer of Cambridge Industrial Trust and Managing Director of Blackstone.



ALEXIS CHEANG

Head of Investment Stewardship at TCorp and former Partner and Acting Global Business Leader for Sustainable Investment at Mercer Investments Australia.



AMANDA GOODMAN

Co-Founder and Director of Ecotone Partners, and former Head of Capital Raising and Investor Relations at Impact Investment Group.



MARK LENNON

Director of Aware Financial Services and Link Group. Former Unions NSW Secretary.

MANAGEMENT TEAM

A diverse and capable team with deep skills and experience.



TIM BUSKENS

Chief Executive Officer



ALLYSON BAILIE

Head of Marketing & Operations



JIN JIN LEONG

Head of Finance



JESSICA ELLERM

Head of Investor Engagement



EVAN HINCHLIFFE

Head of Distribution



RAVIPA ROJASAVACHAI

Quantitative Analyst



TIM MIFSUD

Head of Digital Experience



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Want to learn more?

BOOK A MEETING WITH OUR INVESTMENT TEAM:



Jessica Ellerm



Evan Hinchliffe



investment@hopehousing.com.au



[Click here to book a meeting](#)

Disclaimer

The offer of units in the HOPE Housing Investment Trust (Fund) is available only to 'wholesale clients' within the meaning of that term under the Corporations Act 2001 (Cth). This document does not constitute an offer for units in the Fund. Prospective investors should refer to the Fund's private placement memorandum for further information about the offer and the Fund. Past performance is not a reliable indicator of future performance. For more information about the Fund, please refer to the **Investor Disclaimer** on our website.

Target returns are not guaranteed and total returns may be above or below target range.

- ¹ Evergreen Rating: ©Evergreen 2023. All Rights Reserved. (ABN 91 643 905 257) ('Evergreen Ratings') is Authorised Representative 001283552 of Evergreen Fund Managers Pty Ltd trading as Evergreen Consultants (ABN 75 602 703 202, AFSL 486275). The group of companies is known as 'Evergreen'. Evergreen is authorised to provide general advice to wholesale clients only. Any advice provided is general advice only and does not consider the objectives, financial situation or particular needs of any particular person. It is not a recommendation to purchase, redeem or sell any particular product. Before making an investment decision the reader must read the relevant product offer document, consider their own financial circumstances or seek personal financial advice on its appropriateness for them..
- ² HOPE Housing was awarded Highly Commended in the Investing category at the 2024 Shared Value Awards
- ³ This summary is not an offer or solicitation to purchase interests in the Fund. Such interests are only offered pursuant to the terms of the private placement memorandum, which should be reviewed carefully prior to investing..
- ⁴ This is manager views based on data from the Australian Government Centre for population - <https://population.gov.au/data-and-forecasts/projections-and-internal-research>
- ⁵ Manager views based on data from Australian Government Australian Institute of Family Studies - <https://aifs.gov.au/research/facts-and-figures/employment-men-and-women-across-life-course>, Loneragan Research - chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://assets.aboutamazon.com/6b/f8/01391b114d3c87de84d5a6a01e8b/australians-at-work-over-55s-amazon-australia-and-the-demographics-group.pdf, Australian Seniors Research - <https://www.seniors.com.au/news-insights/australian-seniors-series-ageing-in-workforce-and-internal-research>
- ⁶ <https://www.jbwere.com.au/content/dam/jbwere/documents/campaigns/JBWere-Growth-of-Women-and-wealth.pdf>
- ⁷ <https://www.amp.com.au/insights-hub/blog/investing/econosights-australian-households-wealth#>
- ⁸ Manager views, based on CoreLogic Pain and Gain Report March 2023 and internal research
- ⁹ <https://www.asx.com.au/documents/research/russell-asx-long-term-investing-report-2018.pdf>
- ¹⁰ <https://www.afr.com/policy/economy/landlord-tax-breaks-to-exceed-100b-20230228-p5co3u>
- ^(A) Portfolio growth is determined by estimating market value of the properties within the Fund's portfolio monthly, using CoreLogic IntelliVal (Automated Valuation Estimate) and PropTrack AVM. The change in total portfolio value is indexed from a base value of 100, established at the inception of the Fund's portfolio, to account for the addition of new properties during the same period. The 12-month growth represents the cumulative growth over the prior four quarters. The portfolio growth information does not take into account liabilities or expenses of the Fund and therefore may not reflect overall Fund performance.
- ^(B) This is the growth of residential real estate in the Sydney market and is sourced from the 'CoreLogic Hedonic Home Index reports' for 'All Dwellings' in the Sydney market. The detailed methodology can be found on the CoreLogic Australia website. © Copyright 2024. RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic) and its licensors are the sole and exclusive owners of all rights, title and interest (including intellectual property rights) subsisting in this publication, including any data, analytics, statistics and other information contained in this publication (Data) . All rights reserved.
- ^(C) Social return on investment is determined by HOPE and is assessed by surveying HOPE homeowners and applying proxies, sourced from domestic and international academic studies, to calculate value creation using a methodology that adheres to Social Value International's principles of social valuation. 'The Principles of Social Value' and the methodology is available on Social Value International's website. Social return is measured annually by HOPE each December. For more information about the calculation of the social return, please contact HOPE..