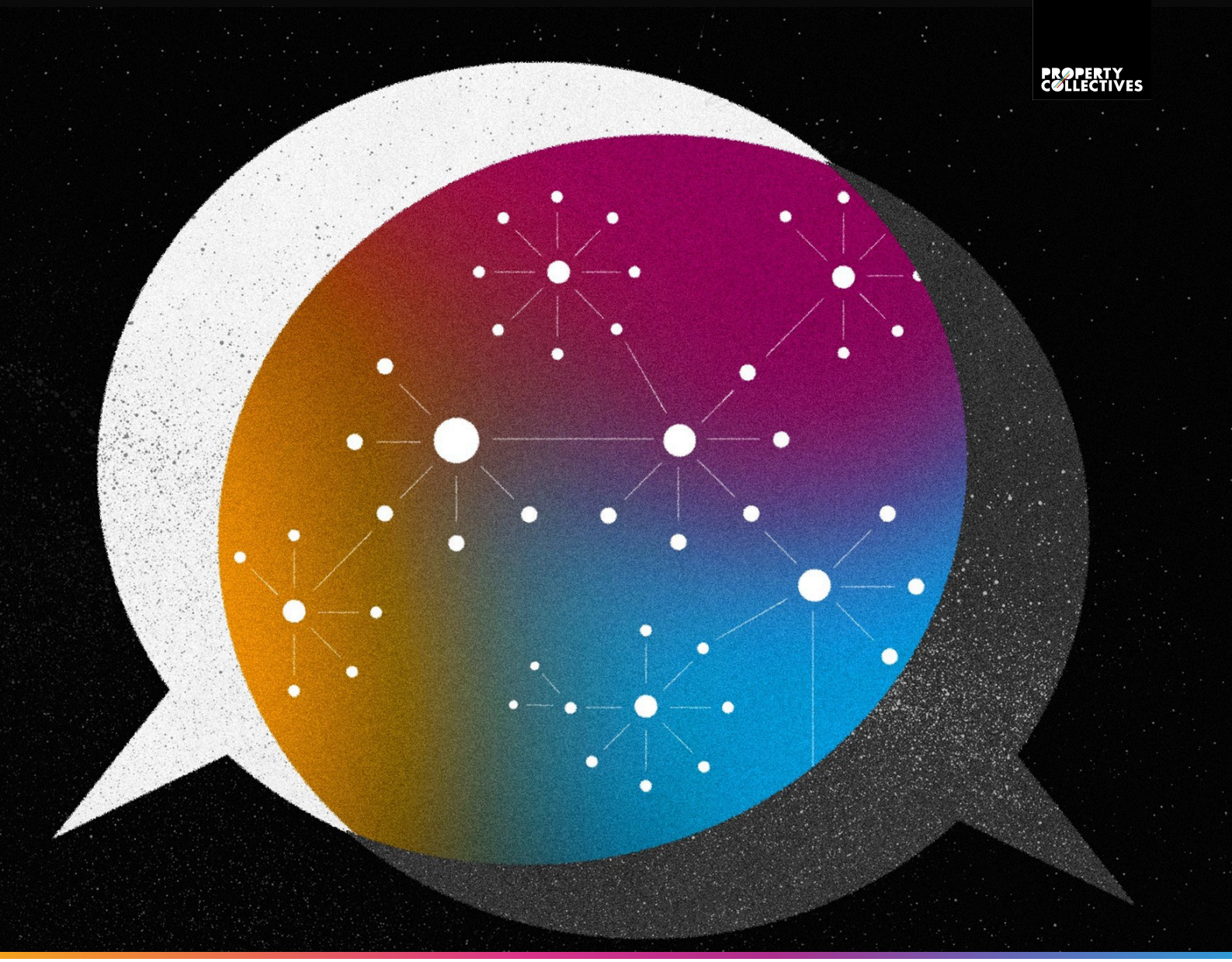


INNER NORTH COMMUNITY FOUNDATION · SUMMARY OF FEASIBILITY FINDINGS

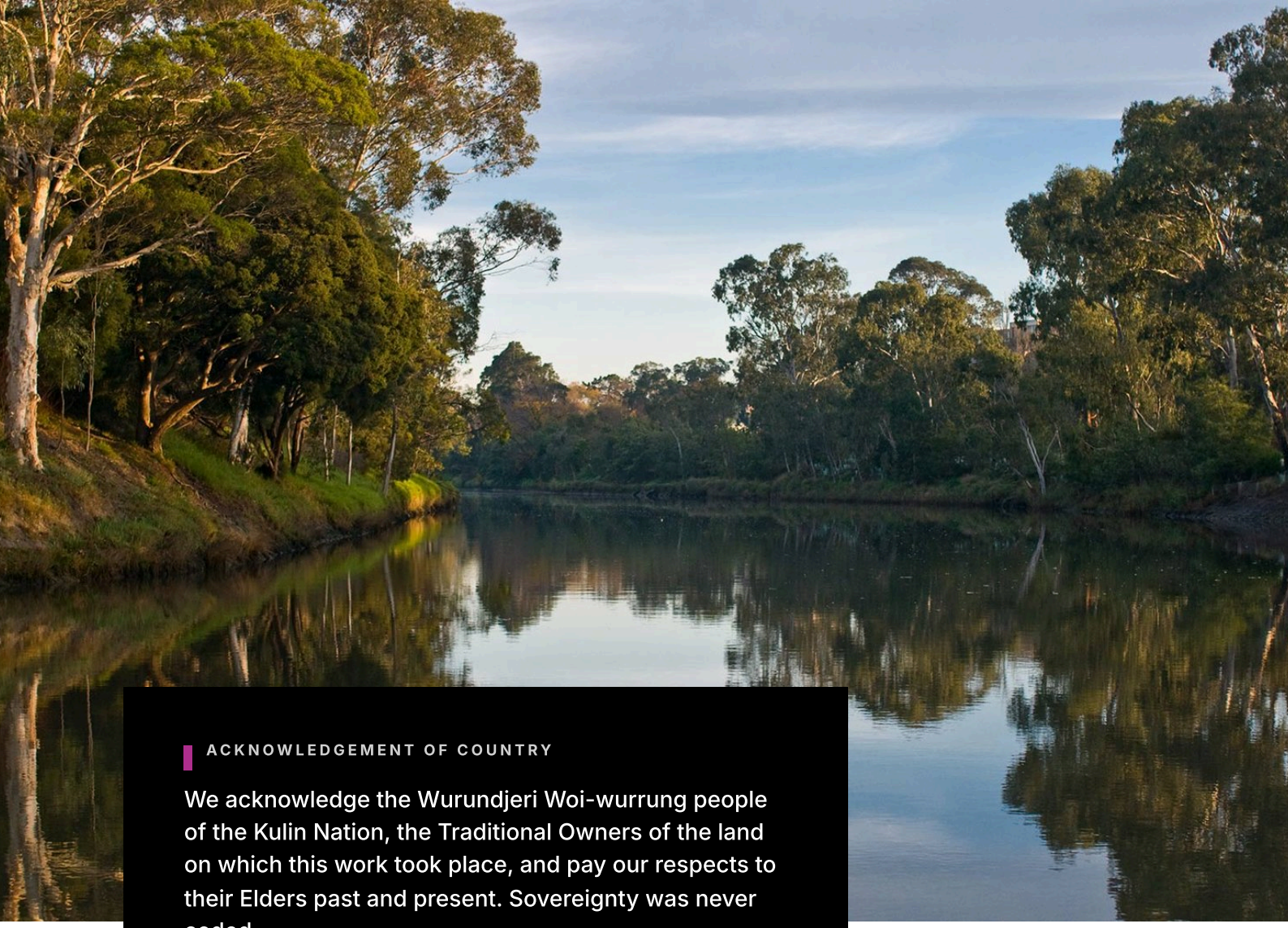
MORE THAN A MOTEL.

Exploring community-owned housing for women and children escaping family violence

PREPARED FOR
A community advisory group convened by the Inner North Community Foundation

PREPARED BY
Property Collectives Advisory

DATE
October 2026



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Wurundjeri Woi-wurrung people of the Kulin Nation, the Traditional Owners of the land on which this work took place, and pay our respects to their Elders past and present. Sovereignty was never ceded.

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WITH THANKS

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Why we are doing this.

This work began with the community. In 2025 the Inner North Community Foundation published its Inner North Report and consulted widely on it, and rising homelessness emerged as an area where local people wanted to act.

THE QUESTION

Could the community buy a motel, or something like it, to house women and children escaping family violence?

An advisory group of community members then met to work out what the Foundation could actually do about homelessness in the inner north, and in particular what a community foundation could do. With funding from local people and groups, the group commissioned this study to test one idea: whether the community could buy a motel, or something like it, to house women and children escaping family violence.

Australia's housing system is largely transactional, rewarding those with the greatest wealth. Government carries some, but not enough, of what the market cannot or will not provide. Women and children escaping family violence fall into the gap between the two. Government pays for their crisis accommodation night by night, much of it in private motels, and the market has no reason to offer anything better. What is missing is an owner prepared to hold safe, suitable accommodation for them over the long term, on the community's behalf, and to treat it as a shared foundation for wellbeing rather than a financial asset.

Holding assets in perpetuity, answerable to place rather than to shareholders or electoral cycles.

This is where a community foundation is distinctively placed. Holding assets in perpetuity, answerable to place rather than to shareholders or electoral cycles, it can do more than fund the organisations that respond to homelessness: it can steward homes and land as community wealth. Its patient capital, trusted relationships and local roots allow it to convene, co-design and hold assets with the people who live alongside them. For the inner north, that means the Foundation could own part of the answer to a problem its own community named.

OUR RECOMMENDATION

We recommend that the Inner North Community Foundation takes on that role itself. Other organisations could own accommodation for women and children escaping family violence, and the Foundation's role could stop at raising the money for someone else to own it. But the Foundation is particularly well placed to be the owner. It is a charitable organisation, with the benefits that brings, and one expected to last in perpetuity to serve its community. It can hold the building for the long term, keep it tied to its purpose and retain its value for the community. And it can steward it: because it stays connected to the people of the inner north, it can make sure the building keeps being used for its best purpose as needs and preferences change over time. If the Foundation decides not to own it, it should find an owner that is legally bound to long-term, non-speculative, purpose-driven ownership and that remains open to community input.

The timing is right. The role of community foundations has evolved significantly, shifting from passive grant-making and local administration toward active civic leadership and agile crisis response, and toward unlocking and holding local resources for the long term. Owning community assets is a natural next step in that shift. The Inner North Community Foundation is one of the most established community foundations in Australia, at a time when many new ones are emerging. It is the right organisation to test how community ownership of accommodation like this works in practice, and to open the way for others to follow. We are not only recommending this step; we are encouraging the Foundation to lead it.

The problem with a motel room

Children can go six weeks or more without school while their family is moved between rooms.

Family violence is the main reason women and children experience homelessness. There is not enough specialist crisis accommodation to support women escaping family violence. When there is no crisis accommodation bed, women and their children can be put into motel rooms, spaces which are not fit for purpose.

Motels are not built for recovery. They are transient and isolating. Children can go six weeks or more without school while their family is moved between rooms. Families are shuffled from motel to sanctuary to crisis accommodation to transitional housing, and every move costs them stability, schooling and safety. They can also be unsafe: a motel used for crisis accommodation takes people in crisis of every kind, so women and children escaping violence share the building with whoever else the system has placed there.

And the gap does not close when the crisis passes. The sector told us there are too few longer-term and more flexible options for women and children leaving crisis accommodation, so families stay in crisis settings longer than they should, or move on to housing that does not hold.

There is already public money in both crisis and longer-term housing. Victoria spends more on private motel accommodation for people in crisis than any other state — largely through the Housing Establishment Fund and family violence crisis accommodation funding — and that subsidy is paid again every night a family needs somewhere to go. Longer-term housing attracts subsidy too, through Commonwealth Rent Assistance. That spending does what it is meant to do: it keeps a family off the street tonight. What it cannot do is leave anything behind. The night ends, the payment is made, and the community is no closer to having somewhere better to send the next family.

So the question that began this work is not whether that subsidy should exist. It is how much further its impact could reach: what would it take for local people to own the building instead?

02 · METHOD AND FINDINGS

What we tested.

The feasibility study, carried out over 2026, was designed to find out whether this idea survives contact with real prices, real rents and real lenders.

WHO WE SPOKE TO

A dozen organisations — family violence services, community housing providers, funders and peak bodies — and the Women's Housing Alliance.

We interviewed a dozen organisations — family violence services, community housing providers, funders and peak bodies — as well as having a discussion with the Women's Housing Alliance, a coalition of organisations with a mandate to prevent homelessness for women in Victoria. We asked each of them what gap a community foundation could actually close. We then tested the idea against a real building rather than a hypothetical one.

CASE STUDY

13–15 McCracken Avenue, Northcote.





Case study only. The Foundation is not seeking to acquire this property.

14
apartments — four one-bed, ten two-bed; one held for an on-site manager

13
homes for women and children

~$6.1m
recent market price

~$750k
renovation budget to bring every apartment up to standard for 30 years

We tested two existing apartment buildings of different sizes: a ten-apartment block at 15–17 DeCarle Street, Coburg, and a fourteen-apartment block at 13–15 McCracken Avenue, Northcote. Preliminary modelling showed the larger building was more economical, because its fixed costs are spread across more homes, so the detailed modelling concentrated on McCracken Avenue.

It is a walk-up apartment block of the kind found on many inner-north streets. Fourteen apartments — four one-bedroom and ten two-bedroom — with one held for an on-site manager, leaving thirteen homes. Recent market price around $6.1 million, with a budget of nearly $750,000 for renovation to bring every apartment up to standard for the next 30 years.

No planning permit. No structural change. Six months of renovation.

That is a little under $500,000 per home, acquired and renovated. No new building in inner Melbourne comes close to that figure. And because the block already exists and already houses people, the work needs no planning permit and no structural change — six months of renovation, and the building is back in use.

Three models, one proposal

We modelled the building over thirty years under three operating models, and tested the results with two lenders — Bank Australia and Housing Australia. The emergency model is the main proposal; the longer-term models are its fallback, as set out below.

ALL SOCIAL HOUSING

~$5.2m

Women and children on very low incomes, after crisis accommodation.
Long-term stays

MIXED TENURE

~$4.0m

Half social, half market renters sharing the building.
Long-term stays

EMERGENCY HOUSING · PROPOSAL

~$3.5m

Families in immediate crisis, referred and supported.
Days to a week

Community capital needed under each model. Preliminary modelling only. "Community capital" is the equity that must be raised from philanthropy, community lending or donated assets, after senior bank debt is sized to what the rent can service.

What the numbers said

- **Revenue from rent will not carry it.** Deeply affordable rents — around $290 to $334 a week — support only about 23% debt against the building's value. The lower the rent, the more of the purchase the community must find upfront.
- **Bank lending will be conservative.** Lenders will typically advance 60% of the building's value. Bank Australia indicated it could go to 65% — but only against revenue it considers certain.
- **More revenue means less community equity capital.** The emergency housing model generates the most income and therefore needs the least donated capital. That is arithmetic, not a moral ranking, and the models are presented here so the trade-off can be argued in the open. But that income rests on assumptions that need further testing, set out under 'The proposal and a fallback' below.
- **An operator contract will earn less than a motel night.** The emergency model did not specify an operator and assumed bed-night rates similar to those homelessness and family violence services currently pay motels. A family violence provider has since advised that a crisis provider would pay the building a lower bed-night rate than motels are paid, although the operator would also carry the running costs. The net effect on the debt the building can carry, and so on the capital required, has not yet been modelled; it is the first thing the next stage must test.
- **Short funding cycles are a real complication.** Government does not fund individual buildings. It contracts an organisation to deliver a set number of bed nights across a region, for a fixed term, and then re-tenders the whole thing. No organisation inside that system can commit revenue for the life of a thirty-year model. This reality needs to be factored into the Foundation's strategy for the asset.

THE ASSUMPTIONS BEHIND THE NUMBERS

The figures in this summary rest on the following key assumptions:

Purchase and renovation	About $6.1 million to buy and about $750,000 to renovate, based on the case study building.
Borrowing	Maximum senior debt at 60% of the building's value but calibrated for interest cover and debt servicing cover ratios.
Rents	Around $290 to $334 a week for social housing tenancies.
Emergency revenue	Bed-night rates similar to those homelessness and family violence services currently pay motels, for short stays that end when the funding ends.
Operator	The model did not specify an operator. We assumed (and would recommend) that the Foundation hold, but not operate the asset. Instead an organisation specialising in intake and allocation of emergency housing would hold a lease-type arrangement with the Foundation. Early feedback is that it would pay a lower bed-night rate than the model assumes.

Support	The model includes only a minimal allowance for support. It assumes residents can draw on existing funded family violence and other support services, and that the building would not house those with the most acute needs, who require a level of on-site support the model does not fund.
Tax	Full GST on acquisition and exemption from land tax — neither yet confirmed.

The detail sits in the feasibility models, and the next stage of work will test each of these against real counterparties.

03 · DIRECTION

The proposal and a fallback.

We tested both ends of the model. The proposal is crisis accommodation: it earns the most revenue, needs the least community capital and responds most directly to the motel spending that prompted this work.

Longer-term housing is a viable fallback, and the natural exit if crisis funding for the building cannot be secured or renewed. Both would improve on what happens now, but they improve different things, and the Foundation should proceed knowing exactly what either proposition requires.

THE PROPOSAL · CRISIS ACCOMMODATION

~$3.5m

The building replaces motel nights for women and children in immediate crisis. It earns the most revenue and, as modelled, needs the least community capital — around $3.5 million. Its benefits are real but specific. Money that now flows to private motel operators instead builds an asset the community keeps. The accommodation is likely to be better than the motels currently in use. And it would house only women and children escaping family violence, rather than placing them alongside everyone else the crisis system sends to a motel.

THE FALLBACK · LONGER-TERM HOUSING

~$4.0–5.2m

The building provides stable homes for women and children after crisis accommodation — the post-crisis 'therapeutic middle' the sector consistently identified as the gap — either as all social housing or mixed with market renters. Residents stay long enough to keep children in one school and rebuild. Rents are lower and the community capital required is higher: around $4.0 million for mixed tenure and $5.2 million for all social housing. It delivers stronger outcomes for women and children, at the cost of a larger raise. If the building reverts to it after purchase, the lower rent supports less debt, so the exit plan must show how that gap would be met.

The crisis model does not stop families being moved from place to place; its revenue depends on that movement continuing.

What crisis accommodation requires

The revenue assumed is a bed-night rate similar to what homelessness and family violence services pay motels, and services only buy those nights for short crisis stays — typically a few days, a week at best. To earn it, the operator must end a stay when the funding ends, knowing that the woman and her children may have nowhere else to go. Motels do this today because they have no therapeutic relationship with the people they house. A community-owned building would have to do the same, and the Foundation would own the building that does it. The crisis model therefore does not stop families being moved from place to place; its revenue depends on that movement continuing. Some providers absorb the cost of letting people stay longer, and some will not operate on any other basis; the model as built does not include that cost, and the Foundation could not carry it.

What both share

In either model the building stays in community hands and, in the second half of its life, is owned outright. Both need an operating partner, both need revenue a lender can rely on, and both need the Foundation to be clear about what it is — and is not — prepared to fund.

> **If the Foundation is comfortable with what crisis accommodation requires, it is the stronger proposal on the numbers, and it is the basis for the next stage of work. If it is not, longer-term housing is the better choice, and the larger raise is the price of it.**

04 · STRUCTURE

Who does what, and where the money goes.

The Foundation would be the asset owner. Running the building, housing people in it and supporting them would sit with organisations that already do that work.

ASSET OWNER
The Foundation, or a subsidiary. Owns and holds the building for thirty years or more.

↔

OPERATOR
Holds a contract with the Foundation; manages the building, placements or tenancies, and day-to-day maintenance.

↔

SUPPORT SERVICES
Case management and support for residents, drawn largely from existing funded services.

PARTY	ROLE	MONEY IN	MONEY OUT
Asset owner (the Foundation or a subsidiary)	Owns the building and holds it for thirty years or more	Community capital; contract payments from the operator	Purchase and renovation; loan repayments; major repairs; repaying community lenders
Community supporters	Give, lend, guarantee or contribute in kind	Repayment of bonds and loans over time	Gifts, bonds, no-interest loans, guarantees, in-kind work and materials
Lender	Senior debt, sized to the revenue it considers certain	Interest and principal	A loan of 60–65% of the building's value (subject to meeting interest rate cover (ICR) and debt servicing cover (DSR) ratios)
Operator	Holds a contract with the Foundation; manages the building, placements or tenancies, and day-to-day maintenance	Crisis accommodation funding under its government contract (or, in the fallback, rents and Commonwealth Rent Assistance)	Contract payments to the Foundation; staffing, cleaning and maintenance
Support services	Case management and support for residents, drawn largely from existing funded services	Existing government program funding	Support staff
State government	Contracts providers to deliver crisis accommodation and support in each region	—	Funding to contracted providers, as it does now

IN SHORT

Government money that a family violence or housing service currently uses to pay a motel operator would instead be used to make contract payments to the Foundation, which services a loan and repays community lenders. Once the debt is retired, that income stays with the Foundation.

What would it take.

Three things.

01 **A commitment from the sector — and a building that works without one.** The organisations already funded to provide crisis accommodation in the north are the partners who matter here, and the first question is what they are able to commit to. They hold the funding, they know the families, and they can enter a contract. They cannot commit beyond their own funding term, because government contracts this work across a region for fixed periods — no more than five years and often less — and then re-tenders it, with no guarantee the same organisation wins again. Family violence funding is purchased differently but is also subject to regular funding rounds. So the model needs an in-principle commitment from the currently funded organisation, an agreed way of passing that commitment to whoever is funded next, and a building that still stands up as ordinary long-term rental housing if crisis funding moves elsewhere. The third of those is what makes the first two safe to attempt. The first test is simple: will an existing provider commit to a five-year contract for a building of 10 to 14 apartments? A direct, long-term commitment from government would be better still and is worth asking for, but it is unlikely.

02 **Community capital, and not all of it as grants.** Between roughly $3.5 million and $5.2 million, depending on the model as built, and subject to what an operator contract does to the numbers. Some of that will be gifts. Much of it need not be. Community bonds, no-interest loans, recoverable grants, loan guarantees, donated land or buildings, in-kind construction and material aid all count — and most of them return the money to the giver. Castlemaine's community co-operative and Vancouver's Vancity housing fund both show local people lending, not only donating, at this scale.

03 **An operator, and support for residents.** The model has three roles: the asset owner, an operator that runs the building, and support services for the women and children who live there. Most of the sector told us that operating the building and providing support are best kept as separate roles. For crisis accommodation, a family violence provider has told us it is reasonable to expect a family violence organisation would partner as operator, with three cautions: these partnerships take time to build; a crisis provider would pay a lower bed-night rate than motels are paid; and the operator must provide very responsive maintenance, because an apartment empty while it waits for repairs earns nothing. If the building reverts to longer-term housing, a registered community housing provider — organisations of the scale of Launch Housing operate across the inner north — would be the operator. In either case, support would be drawn largely from existing funded services rather than contracted as new services, and how it is arranged would be settled with the operator.

06 · COMMUNITY

How to work with the neighbours.

FIRST

Nothing about the street changes.

The building already exists and already houses people. There is no demolition, limited new construction, no additional height, no additional density and no additional traffic. What changes is who owns it and who lives in it. Thirteen self-contained apartments (from this case study), secure entry, and a building better maintained than it is today.

SECOND

These are families in crisis.

The alternative is not that no-one is housed. The alternative is the same families in a motel two suburbs over, with less support, less supervision and less connection to a school. The question should not be whether these families exist in our community, but how we can house them well.

MAINTAINING PRIVACY

McCracken Avenue is named here because it is a case study and the Foundation is not buying it. The building the Foundation does eventually acquire will not be publicly identified. Accommodation for women and children escaping violence works only when its location is known to the people who need it and the services that support them, and not to anyone else. The project can still be celebrated; only its address stays private. How this privacy is maintained during any community fundraising campaign will be addressed in the next phase of work.

07 · OPEN QUESTIONS

What we still do not know.

Five questions remain open, and need to be answered in the next stage of work.

01 Whether crisis accommodation can be run in a way that avoids what we criticise about motels, and whether the Foundation is comfortable with what it requires.

02 Whether an organisation currently funded to provide crisis accommodation in the north can commit to a contract, for how long and at what price, and whether existing support services can work alongside it.

03 Whether that commitment can be passed to whoever is funded after them.

04 Whether the building underwrites as ordinary long-term rental housing if crisis funding moves elsewhere.

05 What the contract payment means for the debt the building can carry and the capital left to raise.

What it could become.

Every model we tested runs for thirty years. The interesting part is what happens in the back half of that period.

> **A community bond is repaid.**
> **A no-interest loan is returned.**
> **Bank debt is retired.**

And then something occurs that rarely happens in the current system: the community owns a building outright, in perpetuity, with no mortgage against it.

From that point the rent stops paying a lender. It maintains the building, funds the support that residents need, or seeds the deposit on the next one.

The asset does not expire when the grant round closes or when the government of the day changes its mind.

That is the difference between spending and investing.

A night in a motel room buys a night. The same money paid into a community-owned building buys a night now *and* a permanent share of a community asset. Do it once and thirteen families at a time have somewhere decent. Do it repeatedly and the community starts to hold a portfolio of housing that belongs to the people who live here.

It is also a legacy rather than a transaction. One building of thirteen apartments does not reform a system, but what it can do is show three things:

01
That a community can own accommodation of this kind.

02
That the arrangement is financeable.

03
That public subsidy already being spent every night can be made to leave something permanent behind.

If it works here it can be repeated — by this Foundation, and by the newer community foundations that follow its lead — and that, rather than any single building, is what changes over time.

09 · RECOMMENDATIONS

What we recommend.

We recommend that the Foundation proceeds to the next stage of work and, in doing so:

01 **Agrees in principle to own the building.** The Foundation agrees in principle that it will own and hold the building on behalf of the community, and confirms that it accepts what crisis accommodation requires, with longer-term housing held as the fallback.

02 **Seeks the longest commitment government allows.** The Foundation asks government for the longest commitment the funding system allows, and opens a conversation about what a longer one would take. Nothing here asks government to spend more than it already spends. It asks whether the same subsidy could be directed somewhere it leaves something behind.

03 **Seeks capital in forms other than grants.** From philanthropy and community lenders, the Foundation looks for bonds, no-interest loans, guarantees, recoverable grants and donated property, as well as gifts. Money that comes back is money that can be given twice — and it funds a legacy rather than a year of operations.

04 **Starts building an operating partnership now.** The Foundation opens discussions with the family violence and housing sectors about an operating partnership, and a contract that can move to whoever holds the funding next. This is the conversation that decides whether the model works. The Foundation brings the asset and the capital; the sector brings the expertise to run the building and support the people in it.

05 **Brings local people with it.** The Foundation invites in-kind trades, fundraising and materials — or simply support for the idea before the building is named, knowing that its location will stay confidential.

10 · TEAM

The team.

This study was prepared for the Inner North Community Foundation by:



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ABOUT THIS SUMMARY

This is a summary of a feasibility study, not a business case or a funding proposal. All figures are preliminary and drawn from thirty-year financial models prepared for the Foundation; they are indicative and subject to further due diligence. Lender terms referenced are indicative only and are not credit-approved or formally priced.

13–15 McCracken Avenue, Northcote is used as a case study to test the model against real costs and rents. The Foundation is not seeking to acquire this property. Community housing providers named are illustrative of the scale and type of operating partner the model requires; no partnership has been agreed.

Prepared for the Inner North Community Foundation by Property Collectives Advisory, with Erin Dolan (philanthropy and affordable housing) and Nicola Foxworthy (affordable housing advisory).

MORE THAN A MOTEL.

Exploring community-owned housing for women and children escaping family violence. A summary of feasibility findings for the Inner North Community Foundation.

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