Australian Government | NAIF Northern Australia Infrastructure Facility

Case Study

COMMUNITY HOUSING LTD AND
TETRIS CAPITAL PTY LTD

Cairns Seniors Community Housing Project

OCTOBER 2025

CAIRNS, QLD

Find out more at
naif.gov.au

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TETRIS CAPITAL PTY LTD

Cairns Seniors Community Housing Project

Cairns is a key regional centre and an important contributor to the economic development of Far North Queensland. Home to approximately 170,000 people, the city supports a diverse economy spanning tourism, agriculture, marine services, education and construction. Its strategic location and regional connectivity make it a focal point for north Queensland.

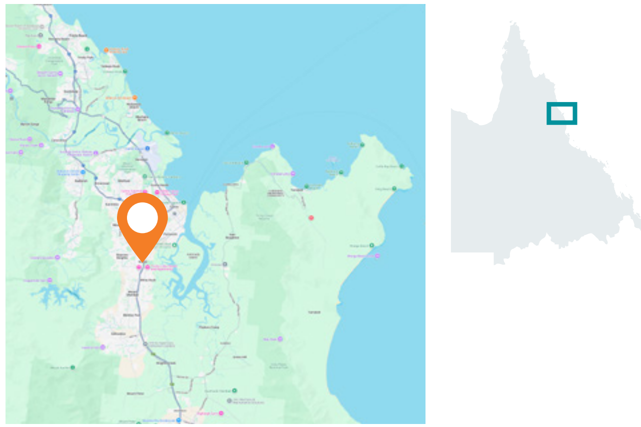
Despite the city's economic activity, access to secure and affordable housing remains a significant challenge. Cairns is experiencing increasing pressure on housing availability, with a growing number of elderly residents at heightened risk of homelessness.

To meet demand for new housing, NAIF is supporting the construction of the Cairns Seniors Community Housing Project, one of the largest social and affordable housing developments in Queensland.

The project exemplifies the strength of public-private partnerships, where a multitude of stakeholders work closely together to deliver much-needed infrastructure. Developed by Tetris Capital and Community Housing Limited (CHL), the project includes funding by the Queensland Government in the form of a capital grant and a 20-year operating subsidy, with financing by NAIF, ANZ and Housing Australia. The project will be operated by Community Housing (Qld) Limited once completed.

Using an advanced modular construction approach, the building modules are being prefabricated by supplier Modscape in their climate-controlled factory before being transported to site. On site, FCC Construction Australia lifts each module directly into place and will build the roof once three storeys have been installed.

With completion expected by late 2026, the project will not only provide older Australians and those living with disability access to more suitable housing, but will help to make rental properties across the city more available to the families who need them.



Easing housing pressure in Far North Queensland

Cairns has an extremely tight rental market with vacancy rates sitting at roughly 1 per cent. This has placed significant strain on locals, especially the elderly.

The number of older Australians facing homelessness in Cairns is growing at 1.2 per cent annually, roughly twice the rate experienced by the general population. This problem is exacerbated by the need for specialist accommodation designed to meet seniors' community needs.

Recognising these challenges, Melbourne-based Tetris Capital and national not-for-profit Community Housing Ltd submitted a proposal for support for the Cairns Seniors Community Housing Project. This social and affordable housing project aims to address the growing housing shortfall in Cairns by constructing 490 new dwellings on the site of an old drive-in cinema.

These dwellings will include a mix of 1 and 2 bedroom homes comprising:

- 245 social apartments
- 223 affordable apartments
- 22 Specialist Disability Accommodation (SDA) apartments

The homes themselves are designed to be accessible, low maintenance and energy efficient while providing for residents' unique needs – offering older Australians privacy and dignity as they age in place.

The Cairns Seniors Community Housing Project will feature numerous landscaped gardens and picnic grounds to deliver a high quality of life for the project's residents. The 22 SDA apartments will provide much-needed housing support for some of the region's most vulnerable residents.

> "These homes will be transformative, providing life-changing opportunities for residents to age in place while remaining closely connected to local services, transport, and their community."

Alicia Follent,
Chief Systems Officer at Community Housing Ltd

"This project is an example of the community housing sector's pivotal role in delivering supply at scale by working across the private and public sector," said Ms Follent.

A collaborative approach to infrastructure finance

Working in partnership across government and the private sector, fulfilling our role as the Australian Government's financier for infrastructure projects in northern Australia, NAIF played a critical role in addressing a financing gap for the project.

The gap was primarily due to key factors related to the risk of the project: the lack of appetite from the commercial sector to provide loans for projects of this nature on the terms required, and the constrained construction market and alternative construction methodology adopted for this project.

"We approached NAIF to address a funding gap that threatened this much needed project from proceeding and found NAIF to be a strong partner as we worked through the financing process together.

NAIF operated flexibly to overcome several project challenges and provided more than just a loan – their input and drive was integral to the project proceeding.

We are very pleased to be partnering with NAIF as a financier for our project and are delighted this represents the facility's first loan to the housing sector.

Despite this project being NAIF's first investment in the housing sector, their clearly defined assessment and approval process enabled them to be the first lender approved for the project."

Brent De Jong,
Director at Tetris Capital

The project includes funding by the Queensland Government in the form of a capital grant and a 20-year operating subsidy, with financing by NAIF, ANZ and Housing Australia.

This project exemplifies the strength of partnerships in tackling the urgent housing needs in regional Australia and demonstrates how public-private partnerships can drive transformative change.

$140M	23yrs	$140.8M	322
NAIF LOAN	LOAN LENGTH	FORECAST PUBLIC BENEFIT	FORECAST JOBS

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INVESTING FOR IMPACT

Our role in successful delivery

The Cairns Seniors Community Housing Project demonstrates NAIF's growing expertise in financing large scale, socially impactful infrastructure across northern Australia.

Delivering social and affordable housing at scale in Cairns highlights the critical role concessional finance can play in addressing housing gaps in regions where high construction costs, limited local capacity and infrastructure deficits often deter private investment.

By partnering with the right stakeholders, we help unlock projects that would otherwise struggle to reach financial close, ensuring that the benefits of growth and social equity are shared more widely across Australia.

This project faced several challenges, including its location in Far North Queensland impacting supply and transport costs and the risks associated with the region's climate during construction.

To support the advancement of the project, NAIF provided a loan of up to $140 million over a 23-year term. This level of support reflects our ability to accept higher risk, particularly when that risk arises from the unique challenges of investing in northern Australia—such as distance, remoteness, and climate. The Cairns Seniors Community Housing Project is expected to deliver approximately $141 million in public benefit and create 290 jobs during construction, with a further 32 jobs supported by the campus during operations.

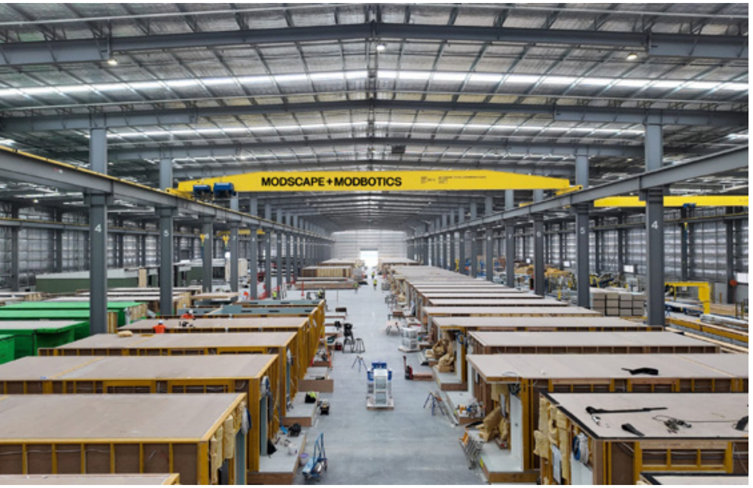
By understanding and responding to the unique challenges of regional developments, NAIF's financial assistance addressed the financing gap, assisting in enabling the project to move forward and fulfil its role in providing community housing in Cairns.

Indigenous Outcomes

Under the terms of NAIF's Indigenous Engagement Strategy, the Project Company - Community Housing (Cairns) Ltd - has agreed to work closely with the Gimuy Walubara Yidinji people, the Traditional Owners of the land.

According to the most recent data, 10 per cent of Cairns' total population identify as Aboriginal or Torres Strait Islander and through employment, participation opportunities and access to accommodation on site, benefits of the project will be shared with Traditional Owners.



SECTOR INSIGHTS

Housing

NAIF provides customised support for every project from start to finish. We ensure that our support is bespoke, flexible, realistic and achievable.

NAIF's financing of the Cairns Seniors Community Housing Project exemplifies the strength of partnerships in tackling urgent housing needs in regional Australia and is a prime example of how public-private partnerships are needed to drive transformative change. Here are some further practical insights from NAIF to consider when financing housing infrastructure projects in northern Australia.

Addressing housing challenges with modular construction

The adoption of modular construction offers significant benefits, particularly for northern Australia. By prefabricating modules in a controlled factory environment, the project accelerates construction timelines, enabling faster delivery of homes and reducing reliance on on-site trades — a crucial advantage in regions facing skilled labour shortages.

Moreover, the modular homes are engineered to meet stringent cyclone and bushfire standards, ensuring resilience against extreme weather events common in the area. This approach not only enhances safety and durability but also exemplifies an innovative solution to the pressing housing challenges in the region.

Higher cyclone risk affects insurance coverage

Due to its geography, Cairns has a higher risk of cyclones than most of Australia with several forming over the nearby water each year – bringing storms and high-speed winds to the region.

Because of this heightened cyclone risk, insurance providers can be cautious about providing coverage in such locations.

While coverage will depend on the availability of insurance in a project's location, the scope of work and insurable values, it's critical that any policy sub limits are identified early and aligned with recommended due diligence thresholds. Alternatives can be considered such as utilising construction contract liability to support coverage.

Building a future for northern Australia

The Cairns Seniors Community Housing Project will help alleviate the significant pressure facing renters in the region – particularly those with specific lifestyle needs.

NAIF looks forward to seeing the Cairns Seniors Community Housing Project through to completion and remains committed to supporting businesses in Cairns and across northern Australia in the development of vital infrastructure.

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FIND OUT MORE

- Northern Australia Infrastructure Facility
- Tetris Capital
- Community Housing Ltd

Australian Government

NAIF

Northern Australia Infrastructure Facility

Investing for impact in northern Australia

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