



Developing a Happy Home

Defence Housing Australia provides quality housing and related services to defence members and their families. The company has built a massive national portfolio while providing personalised service and care for all its clients.



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Images by Irene Dowdy and Jez Rozdarz

Peter Howman joined the military at the tender age of 16 in order to become a communications technician. After completing his apprenticeship, he went to university and earned a business degree, a computer science degree, and an MBA. He spent most of his early life in military housing, which ultimately led to his current position as Managing Director of Defence Housing Australia (DHA).

“I’ve experienced single living in, single living out, defence living on base, defence living off base, defence living in rental accommodation, as well as defence living in the first DHA location, and I experienced the reason why DHA was formed,” Peter explains. “DHA was created because too many people were leaving the military—the houses weren’t good enough, and they couldn’t convince people to join the military for this reason.”

Peter has always recognised the social importance of housing for those in the military, particularly as personnel are posted to new locations quite frequently. However, the uprooting added strain on Peter’s family, so he

joined the private sector, “I worked for Siemens Plessey, Rockwell Collins, the Boeing Company, Lockheed Martin, Hewlett Packard, and Thales. So all very hard-nosed: ‘Hit the numbers or your competitors will hit the numbers. Lose the work and they get the job.’”

“DHA became a GBE [government business enterprise] in 1992. It still had a lot of public service ethos to it and it was doing an okay job, but it didn’t have that hard-nosed commercial focus on the clients’ needs and hitting the numbers, so I was asked to come on board and shake the tree, which I’ve done.”

Having joined DHA as COO in 2007, Peter has brought much-needed commercial knowledge and experience to the organisation. “We just needed to improve a little, and I had to do what the board had asked me to do, which was to focus as a commercial business operating under a public service umbrella. So my remit then was to get some commercial ethos into the business, and that starts from the top.

“I then recalibrated a few people in the general management area,

and then employed a lot of commercial people from industry who had never been in public service. The latest staff member was Madeline Dermatossian, who is our chief operating officer.”

DHA has a property provisioning business where it provides houses for defence’s needs. This is done in various ways. “I’ll go out and knock on your door and ask if I can lease your house for six to 10 years. Another way is knocking on your door and asking to buy your house, and then subletting it to defence. The third way is that we build the houses ourselves, which is the main way we do business.

“The reason we do that is because we can get the houses to look and feel how defence needs them. Their needs are different to yours and mine. For example, defence members move a lot: you may get someone from Victoria posted to Townsville, and they’ll have all of their winter clothing, their bedding—which they can’t throw out because the next post might be in Canberra—so they need to store it somewhere. They need this huge amount of storage that most of us—if we’re stable in our living environment—don’t need.” >

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Catering to the needs of military personnel means there is greater benefit in building DHA homes from scratch. "The reason we do that is because we can get the final outcome that suits the needs of defence and the community. That side of the business is about one and half billion dollars in developments currently underway across the nation.

"We're about the fifth largest in the supply of dwellings; we're delivering more than 1,000 lots per year around the country, and that business is going to double over the next four to five years. The reason it's doubling is because we've signed a contract with defence to provide off-base accommodation to 11,000 single people currently living off site. They want two-bedroom, two-bathroom apartments. So we're now busy building apartments. When you consider that an apartment is around \$300,000 to \$500,000 and there are 11,000 of them, that's billions of dollars. So we're doing that and we're doing it quickly, which is why there's huge growth coming out of our business."

DHA has changed over the past three years, as the company previously wasn't known as a developer. The organisation changed in order to assume greater responsibility for the communities it works in. "Defence people need to integrate into the community; they don't want to be seen as a different cohort. When you just build a house, you put together an object and then just go live in it. What we're doing today is truly building communities, which we weren't doing in the past. And the run-of-the-mill developer doesn't build communities; they will build up some land, put in the roads, sell it, and then they walk away.

"We can't do that because we'll build the development, put the



"We have to build this true community infrastructure that is going to be well liked by not only our defence members but the community that also lives there."

- Peter Howman

roads in, the sewerage, the services, and everything else. Then we'll go and build the houses, and then move the people in, and then we've got to manage them for up to 20 years. If we do it wrong in the beginning, I've got 20 years of complaints that I've got to deal with, so we've got to get it right—whereas if a large developer gets it wrong upfront, they've gone and they're not going to get 20 years of complaints. We have to build this true community infrastructure that is going to be well liked by not only our defence members but the community that also lives there."

For every development that DHA builds, the company sells approximately two-thirds off to mum and dad investors. This is also so defence people can better integrate into the community. "We do that by starting well before the development even begins. An example is something we did recently in Townsville where we had a twilight barbeque event in the park for a 1,300-lot development. We invited the local football team along, we put on face painting, we invited all the neighbours around and the civilian people who want to live there. Defence people all came along, and

they all started to mix and create a community even before we started building a house."

Everything DHA does is for the sake of its clients, both commercial and military. "We have the best customer care under the sun. Any other commercial organisation could, but we give them that extra bit of care they need because we're here to make life good for defence families so they want to stay in the military and enjoy it. That's a huge part of our business.

"Our customer satisfaction across the board is well into the 90 per cent range. We're involved in the Customer Service Institute of Australia, we get accredited every year, and we're aiming for accreditation level six. What that means is that you're giving great customer care and looking after everybody."

DHA believes in innovating its offering and providing the highest-quality service possible. "Earlier this year, we got a financial services licence from ASIC, and we've launched our first-ever residential fund. It's the first of its kind in Australia. It has a nationally balanced portfolio of >



properties. It's limited to \$50 million as we trial our first one. It's gone off very well: we've just won the PIR Unlisted Fund of the Year. When our developers go out to build a development, they've got one direction from me and that is, 'Make this an award-winning development'.

"The reason we do that is because people love living in award-winning developments and investors love investing in award-winning developments. So we're providing what our investors want and we're providing what our clients need. That's important to us. Winning awards here is also important because it showcases what we do. So people will now be coming to us asking where our next fund is because they want to be part of it. Most state governments have come to us asking for help in setting up their own fund, so we're providing whatever assistance we can under our DHA Act."

Peter notes the importance of using local resources in many of the company's projects. "We try to get local contractors wherever we can. So that's architects, planners, civil engineers, and builders. There are a couple reasons we do that. First of all, we want to make sure the money is spread around the countryside; we don't just want a couple of core builders in Sydney. We want to make sure that the local, small builders and consultants in the community are looked after.

"It's a conscious decision to do that; it gives DHA value for money and it also keeps the local economy churning through. More importantly, local contractors know the local environment. If I had an architect from Canberra drawing up the design for a house to be built in Darwin, I would get a Canberra design, which doesn't work in the tropics, and vice versa.

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We've got to make sure that we really focus and get the right people doing the right job."

DHA's success has garnered interest from various industry groups, and rumours of privatisation continually circulate. However, the organisation maintains its key focus on the

comfort and wellbeing of defence members, providing award-winning homes and services to the vital men and women who defend our country. Peter has brought a good balance of military and commercial understanding to his role, and is proud to lead the company to further growth across Australia. •



We don't just build houses, we build communities.

DHA is very active in the Australian residential property market, with more than 18,000 properties Australia-wide worth approximately \$10 billion. We also have a development pipeline of more than \$1 billion—we are proud to say we don't just build houses, we build award-winning communities.

 dha.gov.au/development

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