



NDIS Specialist Disability Accommodation – a unique investment opportunity

Welcome to High Income Property



At High Income Property, we provide research-based, personalised property investment with full relationship management services.

Our aim is always to create winning property investment strategies and to help you achieve your property investment goals.

We are dedicated to our values of service, excellence and integrity in everything we do, and provide the genuine guidance, support, and professional advice to keep you on the path to prosperity.

What is the National Disability Insurance Scheme?

At High Income Property, we help you invest in NDIS investment property that enables participants to benefit from Specialist Disability Accommodation.

The NDIS (National Disability Insurance Scheme) was designed to change the way in which people with disabilities and their families in Australia receive government support, by providing funding directly to individuals rather than through state governments or other organisations.

A key component of the NDIS is the provision of Specialist Disability Accommodation (SDA), which is housing

designed specifically for NDIS participants who require specialised living arrangements.

As part of the Specialist Disability Accommodation Innovation Plan, private and corporate investors are now able to participate in the SDA market, in order to grow the number of specialist dwellings that are developed and built across the country.

FAQs

Can I purchase an NDIS property through a SMSF?

You can, but only as a single contract. What this means is that you would need to purchase the property in cash from your SMSF.

Is there anything special I need to do/setup when purchasing an NDIS SDA investment property?

A Family Trust is worth considering for holding this type of investment due to its tax benefits. However, we suggest that you speak to your accountant or financial advisor (it will be helpful if they know NDIS).

How long will it take to build an SDA home?

You need to allow around 6 months to build an NDIS SDA approved home. Your house will be built as a construction loan, with 5 drawdown stages under a fix priced building contract. You should remember that these homes are built to exact specifications, which is why it takes a little longer than a normal build.

Who finds suitable tenants for each property?

SDA Management Australia (SDAMA) is a specialist property management firm that works with NDIS Service Providers in assisting NDIS participants to apply for and be placed in suitable Specialist Disability Accommodation. This process starts as soon as the property has been registered with SDA and the commencement of the build, with the intention of having the property occupied as soon as possible after it is completed.

What is the length of a typical rental lease?

Initial leases will be for 12 - 24 months where possible, but once locked in, they can be considered as Forever Homes.



What is NDIS property investment?

The opening of the SDA marketplace provides a unique opportunity for investors.

There is currently a shortage of high-dependency accommodation available in Australia, particularly for young people, and so the involvement of private investors has been deemed necessary to speed up the rate at which urgent new housing requirements can be met.

For approved properties which are built to provide much-needed housing for those with specialised accommodation requirements, the Australian Government will pay NDIS participants' rental costs for 20 years and provide investors with rental yields of around 10%. It is expected that

SDA funding will be worth around \$700 million per year.

The increase in housing stock which this initiative is expected to provide will make it easier for eligible NDIS participants to access the sort of accommodation they require, while at the same time boosting investor confidence and providing greater security by ensuring rental income.

What does NDIS property investment offer?

- Rental yields more than 10%*
- Rental guarantees*
- Prices start at \$950K

What makes NDIS SDA property investment appealing?

The NDIS is attractive to investors who want a long term, steady income, while receiving market-beating yields.

NDIS properties are being built in high growth areas where clients are already investing.

- Rental yields more than 10%*
- Rental guarantees*
- Prices start at \$950K



How does NDIS property investment work?

In order for a property to become available to NDIS participants seeking SDA, the property needs to be enrolled and compliant according to SDA Rules, and the owner is required to be registered as an SDA provider.

The National Disability Insurance Agency (NDIA) will then connect NDIS participants with investors and developers who provide “high quality, fit-for-purpose and innovative dwellings.” This means that housing providers are not funded directly from the NDIS, but rather through the individual participants, who have their own approved accommodation budget and so negotiate a rent directly with the housing provider (it is also possible for NDIS participants and non-participants to share the same accommodation, with rents for each being separately negotiated).

The SDA payments that participants receive will be based on the size of the dwelling, its location and the accessibility it provides. These payments are also designed to cover the costs incurred in the bricks and mortar construction of the property, and offer a return on investment (ROI) at market rates of up to 10%.

There will be a variety of platforms available for providers to find tenants, and there is also the option for SDA properties to be made available in other markets as well.

The NDIS means less red tape, more stability

This scheme offers investors more stability and cuts red tape for participants in the NDIS-backed Speciality Disability Accommodation sector. It is designed to boost investment and develop

more housing for a further 12,300 people qualifying for the NDIS.

The subsidy rates give investors more confidence to invest, while changes that make the scheme easier for

qualifying participants to access reduces the risk of investors developing housing that then sits empty.

FAQs

Can you guarantee 100% occupancy?

While there is a massive demand and shortage, 100% occupancy 100% of the time cannot be guaranteed. However, research suggests that many disabled SDA residents want to ‘stay for life when they are in appropriate accommodation, which is why we refer to these homes as their Forever Home. However, if a tenant leaves, the government covers that rental income for up to 3 months until a new NDIS tenant is placed.

What happens if I lose a tenant?

Like all ongoing investment property ownership, there is always the risk of losing a tenant. However, once your property has been enrolled and had its first tenant(s), the NDIS has contingencies for vacancy payments (NDIS SDA portion only). The amounts covered are for up to 60 days for properties with 2 or 3 participant rooms, and for up to 90 days for properties with 4 or 5 participant rooms.

How do I receive my payments from an NDIS SDA Investment Property?

Payments for an NDIS SDA property are paid differently to that of a non NDIS property. Your rental payments will be paid to you from SDAMA at the end of each calendar month. Each Tenant’s payment is made up of 3 parts;

- Fair rent contribution (25% of base disability supplement): paid fortnightly by the participant (tenant)
- 100% Commonwealth Rent Assistance: paid fortnightly by the participant (tenant)
- NDIS SDA Payment: paid quarterly in arrears.



High Income Property makes NDIS property investment easy

The approach to SDA funding has been to make investing in accommodation designed for NDIS participants both commercially viable and attractive for investors

However, at the same time the provider bears some risk, in that ensuring that the property has tenants is their responsibility rather than that of the NDIA.

Essentially, this means that the normal rules of property investment apply when it comes to the location, the provision of local amenities and infrastructure, and the potential for growth in an area, if you are investing in NDIS accommodation.

At High Income Property, we can help you to become an NDIS property investor as a means of effectively growing your property portfolio and benefiting from high rental yields, while at the same time helping to improve the lives of fellow Australians who have hitherto not been well catered for in terms of adequate or appropriate housing.

We can provide you with a choice of investment options based on properties that are being developed and built specifically to be SDA compliant, for instance, or connect you with relevant industry professionals to guide you through the process of applying for NDIS investment finance and completing a purchase.

Our extensive industry knowledge and experience also means that we can take care not only of finding tenants for your property, but also the ongoing maintenance and upkeep through appointing a well qualified property manager.

Contact High Income Property to learn more about NDIS property investment

We are proud to offer a comprehensive, research-based property investment service that is designed to help you meet your personal investment and financial goals. If you would like find out more about the opportunities available to invest in NDIS property, call us on (02) 8007 4001 or email High Income Property and we can help you begin your property investment journey.



high income property
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