



propertyinvestment
STORE

ndis National Disability
Insurance Scheme

What is the National Disability Insurance Scheme (NDIS)?

A NEW WAY OF PROVIDING SUPPORT TO AUSTRALIANS WITH A DISABILITY, THEIR FAMILIES, AND CARERS.





What is the National Disability Insurance Scheme (NDIS)?

Currently 14% (or around 4.3 million) Australians have a disability.

When fully rolled out, the NDIS will provide about 460,000 Australians aged under 65, who have permanent and significant disability with funding for supports and services.

What is Specialist Disability Accommodation (SDA)

IT'S A TYPE OF ACCOMMODATION FUNDED BY THE NATIONAL DISABILITY INSURANCE SCHEME (NDIS) FOR PEOPLE WITH DISABILITIES WHO NEED SPECIALLY DESIGNED OR ADAPTED HOMES TO HELP DELIVER THEIR SUPPORTS.

SDA is not for all people with a disability or all NDIS participants. According to the NDIS Special Disability Accommodation Rules 2016, it exists to assist with those with high support needs or significant functional impairment who need a specialist housing solution.

Eligible participants can have SDA funded as part of their NDIS planning, goals, and supports. If participants include SDA funding in their plan and get approved, they (and their support coordinator) can use the funding to source the most appropriate accommodation in the marketplace.





How can the NDIS help Property Investors?

A new housing market specifically for people with disability is emerging across Australia. In July 2016, NDIS introduced a funding stream to build new accessible and affordable housing for 28,000 Australians with a disability.

The NDIS will fund housing for people with disability who have very high support needs. This will be delivered through an ongoing subsidy for people with disability to access housing, Specialist Disability Accommodation (SDA) payments. The NDIS approach to housing relies on a market-driven model where providers create and maintain housing for people with disability across the country. The NDIS has an annual recurrent budget of \$700m for SDA.

The NDIS will be making payments to these housing providers that covers the costs incurred and provides a return on investment at market rates from 5-15%p.a.

The Specialist Disability Accommodation policy is an ambitious initiative. It requires the market to find an additional \$5 billion to build housing over the current \$5 billion stock. The policy is also transformational. It turns the previous system of rationed institutional and government-owned housing on its head. Over the next five years, 16,000 new or refurbished SDA places are needed. With only 650-700 new SDA places created in the past 12 months.

By providing people with disability funding for housing, it creates a user-driven market. It empowers people with disability to decide where they live and who they live with.

This housing funding is designed only for people under 65 with very high disability-support needs. Up to 30% of all NDIS participants receive a package of support that includes annual funding to pay for the cost of their housing. The participant has a separate amount in their package to pay for the attendant care supports they need to live independently in the community.



How do I get my rent?

RENT FROM YOUR SDA APPROVED TENANT IS MADE UP OF 3 SEPARATE PAYMENTS.

The Specialist Disability Accommodation (SDA) payment from the NDIS is a standardised yearly amount that is calculated based on the dwelling's location, size and level of accessibility. Specialist disability accommodation providers will only be paid for dwellings that are occupied by NDIS participants. Critically, the provider bears the vacancy risk should they be unable to find a tenant.

In addition to the SDA payment from the NDIS, the SDA provider will also receive a Reasonable Rent Contribution (RRC). The contribution is paid by the tenant and is limited to 25 per cent of the Disability Service Provider (DSP) related amounts.

The 3rd payment consists of the Tenants Commonwealth Rent Assistance (CRA). Commonwealth Rent Assistance is a non-taxable income supplement payable to eligible people who aren't in the private rental market





Our Predicted Growth

It is anticipated that the specialist disability accommodation pricing framework will continue for 20 years and at the end of this period the property will revert to the general market. This returns capital to the specialist disability accommodation is an amount that enables a competitive market return on the property. When combined, the revenue from specialist disability accommodation payments, the reasonable rent contribution and proceeds from the sale value of the property should sufficiently cover the initial investment, all maintenance, and outgoing and management costs, as well as providing an "institutional" return on equity.

Five years after the start of the National Disability Insurance Scheme, we are seeing a housing market develop for people with disability that will radically transform thousands of lives. The current status of the disability accommodation market is fragmented and underfunded. As a result, it is an inflexible market where consumers have limited choice in their housing options.

Australia is turning away from segregated and institutional disability housing and moving towards genuine choice and community inclusion through NDIS' SDA market. In this market based system, people with disability have genuine choice over where they live, who they live with and how they are supported. In other words, people with disability will have the same housing choices as every Australian.



In the SDA market, housing providers will compete to deliver the best outcomes for tenants. There is a risk that some developers will initially look to maximize profits by building segregated housing for people with disability with SDA payments on inexpensive land on the outskirts of communities. Proximity to shops, transport and other services is critical to enabling people with disability to easily get out of their home and have a meaningful life. These dwellings may attract people with disability and SDA apartments in the short term. However, as the market matures, providers of poor quality housing that is not well located are likely to have high vacancy rates for an asset with a life of 20-30 years.



Talk to Us

The Property Investment Store has spent over the last 2 ½ years working alongside NDIS Specific Architects and Certifiers, creating relationships with builders who can deliver an NDIS Specific SDA approved home.

After this exhausting process, we believe now is the time to get on board this new investment opportunity.

Contact us for further information and to discuss the amazing returns available when purchasing an NDIS SDA approved property through the Property Investment Store.

There are over **6000** **YOUNG PEOPLE** with disability in aged care facilities

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