



Zammit Real Estate

EXPLORING

# NDIS Property Investment



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# From the Director



The future of independent living for Australians with disabilities is soaring higher than ever! Buckle up for the "SDA Boom," with demand for Specialist Disability Accommodation projected to skyrocket by 60% in the next 20 years.

The Australian government is committed to supporting NDIS participants, and this extends to property investors. The government offers incentives and assistance to encourage investment in accessible housing, creating a win-win situation for investors and individuals with disabilities.

*Mark Zammit*

DIRECTOR

# Why NDIS?

The National Disability Insurance Scheme (NDIS) is a game-changer for Australians with disabilities. It provides funding for personalized support services, so people can live their lives to the fullest. But a key piece of the puzzle is having a suitable home.

Here's where things get interesting. There's a shortage of SDA properties, which means there's a real opportunity to make a difference. By investing in SDA, you're directly addressing this housing gap and helping people with disabilities find the homes they deserve.

The beauty of SDA is that it doesn't just benefit the residents. Investors receive stable rental income through NDIS payments, providing a secure financial return. It's a chance to do well while doing good.

**600K+**

ACTIVE PARTICIPANTS

**36,000+**

SDA WAITLIST





Upto **\$223,000** Rental Returns





# True *or* Myth?

Have you ever dreamt of real estate returns that sound too good to be true? Like, \$180,000 per year good? We're talking the numbers that make you think, "Hold on, isn't the government involved here?"

The beauty of SDA lies in its government-backed income. NDIS participants receive individual funding specifically for their housing needs. This translates to reliable, long-term rental income for you, the investor. Economic downturns or fickle tenants become a non-issue, offering a stability unmatched in the traditional rental market.

**1304**

in need of Accessible  
SDA Homes

**30%**

Of participants with  
NDIS Plan are looking  
for a new SDA Home

**1184**

are seeking to move out of  
old rundown disability  
homes



# NDIS SDA Homes Designed of each level



## Improved Livability

People with sensory, intellectual or cognitive impairments



## Fully Accessible

People who have lots of physical challenges.

For example, you need to use a manual or powered wheelchair at home, or can't use steps.



## High Physical Support

You may need a ceiling hoist, backup power supply, or home automation and communication technology.



## Robust

Housing that is very strong and durable.

Suits people who need help managing complex and challenging behaviours.

## Important Definitions

- NDIS participant “Tenant”: A person with a disability who gets NDIS funding and support.
- NDIS provider “Property Manager”: An NDIS-registered business helping participants with SDA.
- SDA “Property”: Specially designed homes for NDIS participants needing high support.
- SIL “Carer”: Provides assistance with daily tasks for independent living in SDA.
- MRRC “Participant Rent”: The capped amount an NDIS participant pays towards rent. It's capped at 25% of the base rate of their disability support pension, plus 100% of any Commonwealth Rent Assistance they may receive. This contribution remains consistent regardless of location and is roughly \$10,990 per year.



# Have Questions?

- **Why should I invest in NDIS SDA homes?**

NDIS, a government body, sets rental rates for SDA properties, offering reliable income and reducing the risk of vacancies or late payments. There's a shortage of quality SDA housing, creating a strong renters' market with potentially high returns.

- **What is SDA Funding under the NDIS?**

The funding for SDA is to provide an investor with an above average rental income for putting their hand up to provide SDA accommodation. Returns (yields) of 12% up to 16% are common place with a SDA Property. SDA Income is linked to CPI, meaning it will go up with inflation and is a 20 year program.

- **How does the NDIS help Property Investors?**

The NDIS introduces a funding scheme to build new accessible housing for around 28,000 Australians with a disability who qualify to be a participant under the SDA. Housing is delivered through an ongoing subsidy for people with a disability to access this housing. The SDA payments drive the market-driven model where providers create and maintain housing for people with a disability across Australia with a budget of \$700 million for the SDA under the NDIS.

You the investor, for putting up your hand to provide a NDIS dwelling, will receive higher than market rate yields as your incentive. The market requires \$5bn to build housing through a transformational policy, totally evolving the previous government system which is failing our disabled population.

Your investment opportunity is in the 28,000 new which are needed. Only a low 650-700 places were created in the past 12 months. There is an incredible need and a very short supply. To date there are under 4,000 participants being housed in SDA accommodations.

- **What is the length of a typical rental lease?**

Initial leases will be for 12 – 24 months where possible, but once locked in, they've been considered as 'forever homes'

Sure there will be a percentage of tenants that move around, as in any other rental property. The industry feel due to massive demand and incredible undersupply of SDA Properties, tenants will hold onto their leases for as long as they can.

- **Can you guarantee 100% occupancy?**

While there is a massive demand and shortage, there are no guarantees. However, based on research many disabled SDA residents want to “stay for life”, when they are in appropriate accommodation. This is why they are referred to as their “Forever Home”

- **Is this sustainable at such high rental yields?**

Yes, the cost for the government to accommodate one person with disability and provide them with services at the same time, costs both government and tax payers around \$1 Million dollars per annum. For example, a person who ends up in a hospital disabled, whilst recovering and waiting on suitable accommodation, this person costs government and tax payers around \$1,500 per day to accommodate them in the hospital system.

- **Can a SDA house be built anywhere?**

The suitability of the land and its location hinges on meeting SDA requirements, meaning not every block in any location will suffice. SDA funding is available nationwide, enabling the construction of SDA Homes across Australia. Proximity to essential amenities such as healthcare, employment centers, and transportation is essential. Additionally, the land must have a maximum slope of 7 degrees towards the road for approval.

- **What happens if one tenant moves out?**

Investing in property always carries the risk of tenant turnover. However, research suggests that individuals with disabilities tend to stay put once they find a suitable home. Once your property is initially tenanted, the NDIS provides vacancy payments while sourcing new participants (applicable to the NDIS SDA portion only). Providers are obligated to find replacements and typically maintain waiting lists. The coverage extends up to 60 days for properties with 2 or 3 participant rooms and up to 90 days for those with 4 or 5 participant rooms.



## ● What happens after 20 years?

At the end of the 20 year program you have choice : sell the property as is, continue to rent the property to SDA participants at around 60% of the rent at that time, or renovate and rent to the open market.

## ● How do landlords get the rental income?

NDIS SDA payments are paid differently from regular rent payments. Here's a breakdown of how it works:

- Standardised Annual Amount: The NDIS pays a set amount annually, calculated based on the dwelling's location, size, and accessibility features. This ensures consistency for participants regardless of location.
- NDIS Provider: The NDIS provider handles the rental payments. You'll receive the total payment at the end of each calendar month.
- The total NDIS SDA payment comprises three parts:
  - Fair Rent Contribution (25% of base disability supplement): Participants contribute this portion fortnightly.
  - 100% Commonwealth Rent Assistance: Participants also pay this component fortnightly.
  - NDIS SDA Payment (quarterly in arrears): The NDIS pays this amount quarterly, but it's calculated for the previous quarter (in arrears).

You only get paid once the participant starts living in the property.

## ● NDIS SDA payment structure

Component	Paid By	Frequency
Fair Rent Contribution	Participant	Fortnightly
Commonwealth Rent Assistance	Participant	Fortnightly
NDIS SDA Payment	NDIS (via provider)	Quarterly (in arrears)



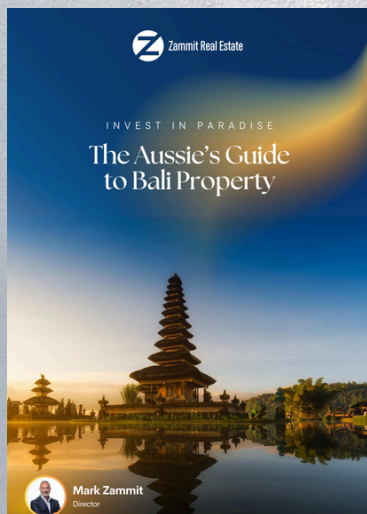
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# Why Us?

Ready to unlock the potential of NDIS investments? We understand the process can seem complex. That's why we offer a comprehensive, end-to-end approach. With us by your side, you'll be equipped to make informed decisions every step of the way.

Let's explore how we can help you build a successful investment strategy that aligns with your values.

**3+**  
years of industry  
experience

**#3**  
in top "NDIS"  
searches

Get started today



**0433 837 246**

