



DHA Property Care

We don't just manage your property. We also organise and pay for day-to-day repairs and maintenance.

When you buy a Defence Housing Australia (DHA) property, you agree to lease it back to us for a specified term. A distinguishing feature of our lease agreement is *DHA Property Care*—an extensive range of property related services we provide during the term in return for a service fee.

We believe our all-inclusive service fee is competitive when compared to the true cost of alternatives. The service fee is calculated as a percentage of the rent and is deducted from your monthly payments.

We charge a flat fee of 16.5% (including GST) for freestanding houses and 13% (including GST) for properties where a Body Corporate is responsible for some items we would otherwise cover.

DHA Property Care is important because it enables us to manage and maintain our portfolio to a high standard, in line with contractual obligations with the Department of Defence. You also benefit by receiving minimal phone calls or bills about property management, repairs and maintenance; your rent is reviewed annually to market value; and your property is restored at lease-end.



Did you know?

You should do your sums

Our *DHA Property Care* service fee is often compared with property management fees that are charged by traditional real estate agents. These vary by location, but average around 8% (excluding GST).

Be aware, property management fees are only part of the amount traditional real estate agents will charge for their services. You then need to add:

- › other agency fees (e.g. advertising, leasing and statement costs)
- › lost rent due to vacancy
- › repair and maintenance of fixtures, fittings and appliances
- › replacement of floor coverings, and
- › interior and exterior painting.

Our all-inclusive service fee includes this, and more.

DHA Property Care includes the following services:

Property management

We manage the Defence family occupying the property and carry out inspections and reporting at periodic intervals. There is no need for you to inspect the property throughout the lease term; however this can be arranged each year if you wish.

We also provide you with a statement each month itemising rental payments, outgoings and other expenses. If you wish, once authorised by you, we can pay property related outgoings (e.g. rates and insurance premiums) on your behalf as part of our complimentary bill paying service.

Repair and maintenance

Throughout the lease term, we are responsible for organising and covering the cost of most non-structural repair and maintenance, including the replacement of fixed appliances as needed. You retain some obligations, but your responsibilities are significantly reduced compared to conventional residential property investment.

In summary:

Our responsibilities

We maintain the property, with the exception of fair wear and tear, for items such as:

- › walls and ceilings
- › doors and windows, including security screens
- › window coverings (e.g. blinds and curtains)
- › floor coverings (e.g. carpet and tiles)
- › lights, light fittings, power points and switches
- › built-in appliances (e.g. stove, air-conditioning and hot water system)
- › wet areas (e.g. plugs, tiles, vanity units, shower screens and towel rails)
- › gutters, downpipes, gates, garage doors, letterbox and clothes line, and
- › general upkeep of grounds and gardens (e.g. plants and mulch).

Your responsibilities

As with any property investment, you retain some responsibilities:

- › essential services (e.g. water, electricity, gas, sewerage and drainage)
- › damage to the structure or infrastructure caused by:
 - › subsidence
 - › pest infestation
 - › fire, lightning, flood, storm or tempest
- › major landscaping (e.g. tree removal, drainage works, fencing and retaining walls)
- › maintaining appropriate insurance cover, and
- › work covered by any warranty held by you.

A comprehensive list of each party's responsibilities is set out in the *DHA Lease Agreement*. A copy is available upon request.

Emergency repair

In the event of emergency—where action is needed to preserve the property and protect human health, safety and security—we act quickly on your behalf. Examples include flooding, fire or a breakdown or failure of any essential service or appliance for hot water, cooking, heating or laundering.

Upon notification, we will immediately arrange any repair to the property and, as applicable, contact you so that you can notify your insurer. If the emergency arises from an item for which we are responsible for repair and maintenance, we bear the costs. If the emergency falls within your retained responsibilities, we will arrange the works and then recover the costs from you.

Lease-end restoration

As the end of the lease agreement approaches, our service doesn't stop. We ensure your property is returned in good order by providing a restoration service¹.

In all cases, we ensure the property is professionally cleaned; appliances are clean and in good working order; and the dwelling, grounds and landscaping are in a neat and tidy condition.

Where the lease term is 6 years or longer, we paint the property internally. Where the lease term is 9 years or more, we also replace the carpet and paint the external structure (except where this is the responsibility of a Body Corporate).

This means that with minimal effort, you can move in, rent privately or sell the property as you wish.

Market rent review

When you buy a DHA property, we guarantee to pay the commencing rent or higher for the term of the lease. Each year, we engage an independent licensed valuer to review your property's rent to market value. At each review date, your rent is adjusted to the greater of the commencing rent or market rent. For example, if your commencing rent is \$400 per week, it can never drop below \$400 a week; but it can go up.

Even though we have a good track record in providing this service, we accept that, on occasion, you may not be satisfied with the valuer's assessment. For this reason, our lease agreement enables you to initiate a review process. At your own expense, you engage a licensed valuer to review your property rent to market value (as at the review date). The valuers then consult and seek to agree on the valuation of market rent.

Our rental guarantee² means you can budget easily, because you'll know exactly what your minimal rental income will be for the term of the lease. And with annual rent reviews to market value, you can be confident your returns are being maximised.

CALL 133 DHA VISIT www.invest.dha.gov.au

Attention: This guide is intended to provide general information only. All references to the lease are in accordance with *DHA Lease Agreement* Edition 6b. Investment is subject to DHA's lease terms and conditions of sale. Investors retain some responsibilities and risks. Prospective investors should seek independent advice. DHA does not accept responsibility for any inaccuracy or actions taken in reliance upon this information.

1. Subject to the duration of the lease term and the obligations of a Body Corporate.

2. Rent may be subject to abatement in limited circumstances.

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