

Build to Lease Program Apartments and Townhouses in Rockingham region

Information Memorandum





The Build to Lease Program is your opportunity to work with DHA to deliver new apartments and townhouses in the Rockingham region.

To meet the housing needs of a growing number of Defence members, Defence Housing Australia (DHA) is regularly looking to add new properties to our portfolio by leasing them directly from investors.

The Build to Lease Program is your opportunity to work with DHA to help deliver a minimum of 450 newly constructed, high-quality properties to lease to DHA over the next five years in the Rockingham region. DHA is seeking multiple suppliers who can collectively deliver this volume of housing.

Expressions of Interest (EOI) are invited from interested parties active in development, construction and/or sale of new apartment and/or townhouse projects to investors. DHA is not looking to purchase properties or contract builders to construct properties as part of this procurement process.

This EOI process provides an opportunity for you to demonstrate your organisation's capability and capacity to deliver properties for DHA to lease in Rockingham. This requires access to residential development land, multi-unit construction capability, project sales capability or access to new built-form product.

- › Your capability to deliver suitable apartments, townhouses and duplexes in Rockingham.
- › Your ability to access development land and construct apartment, townhouse or duplex projects, or acquire new built-form product in Rockingham.
- › Your ability to sell multi-unit projects to investors.
- › The timeframe in which you could deliver built properties on available land over a short, medium or long-term period.

- › Whether you plan to sell all of the properties to investors or retain all or some properties for your own investment portfolio.
- › Any other innovative methods of delivering leased property for DHA in the Rockingham region.

An invitation to participate in the Build to Lease Program will allow you to:

- › Promote suitable apartments and townhouses to investors with a commitment from DHA to lease the property for a term of 6, 9 or 12 years plus a 3-year option.
- › Offer investors the peace of mind of guaranteed rent¹, a long-term lease², and a reliable tenant at the completion of their build.
- › Construct suitable new apartment and/or townhouse projects to lease some or all properties directly to DHA and enjoy the benefits of DHA's long-term lease and Property Care Contract².
- › Work with a trusted Australian Government Business Enterprise with 35 years' experience leasing and managing properties.
- › Benefit from DHA-facilitated access to our existing property investor leads and marketing channels to promote your properties, and awareness through our brand and advertising investment.

1. Rent may be subject to abatement under certain circumstances such as loss of enjoyment or amenity, or breach of lease terms. Rent is paid where the property is habitable. Should a property become uninhabitable during the term of the lease, or lessor breaches the lease terms, the rent may cease or abate and the lease may be terminated by DHA. Guaranteed rent is subject to the terms of the lease. DHA does not take into account an investor's objectives or financial needs. Investors should always seek appropriate independent advice before making any investment decisions with DHA.

2 DHA will lease back the property if, on completion of construction of the property, DHA is satisfied that the property has been completed in accordance with DHA's requirements.

Build to Lease Program overview

Respondents may express their preference for one or more of the following delivery models to deliver a long-term supply of individually leased housing which DHA would commit to lease:

- › Build to sell and lease – You are involved in developing, constructing or sales of apartment or townhouse projects and will allocate some or all properties in those projects to DHA, and will facilitate sales to investors with a DHA lease commitment¹.
- › Build to retain and lease – You are involved in developing, constructing or sales of apartment or townhouse projects and will allocate some or all properties in those projects to DHA, and will retain them in your own investment portfolio to lease to DHA¹.

DHA would enter into Supply Agreements with successful Respondents which would detail the existing or planned projects and volume of leased properties that the supplier is able to deliver, and that DHA is willing to commit to over a minimum 5-year period.

The Supply Agreement allows for regular reviews to update project status, expected completion timing and delivery timeframes of DHA allocated properties, as well as review of additional development project/s for a potential DHA allocation of properties.

Once property volumes have been agreed between DHA and selected suppliers, DHA commits to leasing those volumes from the supplier, at a minimum, provided the properties are delivered within the agreed timeframe and in accordance with the agreed designs and inclusions.

Successful Respondents will have the opportunity to gain DHA-facilitated access to DHA's investor leads and marketing channels to promote their housing packages for sale.

Properties to be delivered under the Build to Lease Program would be leased from the investor or Respondent, if retaining the property, under the terms of DHA's lease and Property Care Contract, copies of which are available within the EOI documentation.

Property and location requirements

Through this EOI, DHA seeks to work with industry to deliver around 450 properties over the next five years in the Rockingham region, details of which are available within the EOI documentation.

DHA is predominantly seeking to lease newly constructed apartments, townhouses or duplexes in a range of sizes with one-to-four bedrooms and accommodation for one to two cars. The leased properties can be single or double storey.

DHA is seeking properties that align with local community standards, with the aim to deliver quality properties that are region and climate appropriate. Further details property types and our Inclusions Checklists are available within the EOI documentation.

¹ DHA will lease back the property if, on completion of construction of the property, DHA is satisfied that the property has been completed in accordance with DHA's requirements.

How to submit your EOI

To be considered for participation in the Build to Lease Program, please submit a response to DHA's Approach to Market, which will be released on the AusTender website at <https://www.tenders.gov.au>. You must complete the new user registration or login to AusTender to access the EOI documentation and upload your response.

Responses must be lodged on or before the Closing Time, electronically using the Electronic Tender Box on the AusTender website.

This EOI process will allow DHA to select Respondents who are deemed suitably qualified who may be invited to participate in the Build to Lease Program and ultimately provide leased properties to DHA in Rockingham.

Industry briefings and one-on-one meetings

Online Industry Briefing sessions will be held for interested parties to learn more about the Build to Lease Program EOI. Links to register for the Industry Briefing sessions are available within the EOI documentation.

A summary of the Industry Briefing queries and responses will be provided via AusTender after the industry briefing sessions are held.

Following EOI close, selected Respondents will be invited to attend one-on-one meetings with DHA to discuss their responses and to allow both parties to ask questions.

Procurement timetable

Activity	Timing
EOI released to market	Friday 23 May 2025
Industry briefing sessions	10.30am AEST – Wednesday 28 May 2025 10.30am AEST – Thursday 29 May 2025
Deadline for submission of respondents' queries	3.00pm AEST – Wednesday 11 June 2025 Respondents may submit queries in writing via email to the Contact Officer any time up to six calendar days before the Closing Time
Closing time	3.00pm AEST – Thursday 19 June 2025
Short-listing of respondents	Monday 23 June 2025 to Friday 4 July 2025 (indicative)
One-on-one meetings	Monday 7 July 2025 to Friday 18 July 2025 (indicative)
Due diligence conducted on accepted suppliers	Monday 1 September 2025 to Friday 26 September 2025 (indicative)
Supply Agreement negotiations	Commence from Monday 1 September 2025 (indicative)

This information contained herein is for guidance only and subject to change. All information regarding DHA's Build to Lease Program EOI should be obtained via AusTender, which will be available upon release.



About DHA

The Federal Government created Defence Housing Australia (DHA) in 1988 to provide quality housing for Defence members and their families.

Over the past three decades, DHA has developed one of the largest property portfolios in the country by building, buying, and leasing homes. We currently provide homes to almost 16,000 Defence members, ensuring they have safe, quality accommodation close to their work and local amenities.

With more than 12,000¹ homes leased from investors, our properties are located around Australia where Defence bases are located – including all mainland capital cities, as well as some regional centres.

Benefits of the DHA lease to investors

More than 12,000¹ investors currently lease their property to DHA. While Defence members and their families occupy the property, DHA is the tenant under the terms of our lease. With DHA as the tenant, investors get a secure, long-term lease where they are paid guaranteed market value rent² for the duration of the lease.

Leasing a property to DHA allows investors to:

- › budget easily knowing they'll receive guaranteed² rental income for the duration of their lease, even if the property is vacant.
- › choose the terms that best suit their needs with long-term leases of up to 12 years, with the possibility of extension.
- › have most non-structural repairs³ covered under our Property Care Contract.
- › receive all these benefits covered under one service fee charged as a percentage of gross rent.

DHA Property Care

When an investor leases their property to DHA, we act as both tenant and manager for the investor's property. We manage it under the terms of the Property Care Contract, which outlines the services we provide throughout the lease term including:

Vacancy management: we keep the property occupied throughout the lease term and manage the occupant on the investor's behalf. If the property is ever unoccupied, we still pay rent and manage the grounds to ensure they are neat and tidy.

Repair: we organise and pay for most non-structural repairs, including the replacement of fixed appliances as needed. If an emergency repair or maintenance is required, we will act quickly on the investor's behalf.

Scheduling and facilitating: we carry out inspections and report back to the investor regularly so they know everything is in order. We also facilitate investor inspections, for instance if they require a property valuation.

Rent review: we conduct annual rent review through licensed, independent valuers to ensure that investors receive market-value rent.

All the benefits of the Property Care Contract are provided under one simple service fee.

This service fee is calculated as a percentage of the gross rent and is deducted from the investor's monthly payments. Depending on the property type, we charge:

- › a flat fee of 16.5% (inc GST) for most free-standing houses; or
- › a flat fee of 13.0% (inc GST) for properties where a body corporate is responsible for most of the common areas, including external paint.

1 - As at 30 June 2024

2 - Rent may be subject to abatement under certain circumstances such as loss of enjoyment or amenity, or breach of lease terms. Rent is paid where the property is habitable. Should a property become uninhabitable during the term of the lease, or lessor breaches the lease terms, the rent may cease or abate and the lease may be terminated by DHA. Guaranteed rent is subject to the terms of the lease. DHA does not take into account an investor's objectives or financial needs. Investors should always seek appropriate independent advice before making any investment decisions with DHA.

3 - A comprehensive description of repairs included in our service and exclusions can be found in the Property Care Contract. For more information, please visit <https://www.dha.gov.au/investing/property-care>.

More than 12,000¹ investors are currently taking advantage of the benefits of DHA's long-term lease and Property Care Contract



Guaranteed² rental income



Long-term leases of up to 12 years



Most non-structural repairs³



Property care and management



Covered under a single service fee

1 - As at 30 June 2024

2 - Rent may be subject to abatement under certain circumstances such as loss of enjoyment or amenity, or breach of lease terms. Rent is paid where the property is habitable. Should a property become uninhabitable during the term of the lease, or lessor breaches the lease terms, the rent may cease or abate and the lease may be terminated by DHA. Guaranteed rent is subject to the terms of the lease. DHA does not take into account an investor's objectives or financial needs. Investors should always seek appropriate independent advice before making any investment decisions with DHA.

3 - A comprehensive description of repairs included in our service and exclusions can be found in the Property Care Contract. For more information, please visit <https://www.dha.gov.au/investing/property-care>.

More information

Interested parties may submit queries in writing via email to the Contact Officer from the release of the EOI any time up to five calendar days before the Closing Time specified on AusTender.

The Contact Officer's details are included in the EOI documentation, available on AusTender.

Should you experience technical difficulties while completing or updating your AusTender registration, contact the AusTender helpdesk via email at tenders@finance.gov.au or complete the Contact Us form available on their website. The Help Desk is available between 9am and 5pm ACT Local Time, Monday to Friday (excluding ACT and Australian national public holidays).

Key links

- › AusTender website to register and download EOI documentation <https://www.tenders.gov.au>
- › DHA's Build to Lease Program webpage: <https://www.dha.gov.au/investing/build-to-lease-rockingham>



Disclaimer

General information, Terms and Conditions:

Defence Housing Australia (DHA) reserves the right to make changes to any of the information or requirements contained within this document without notice. DHA will assess submissions and may select a preferred respondent. DHA retains the right to negotiate with a preferred respondent. DHA reserves the right to conduct a financial assessment on respondents at its discretion. DHA reserves the right not to accept any submission or to seek further proposals from others should the submissions not suitably achieve DHA's objectives for the project and/or are not satisfactory to DHA in its absolute discretion. DHA reserves its right to consider a non-conforming submission for evaluation. **Absence of obligations:** No legal or other obligations will arise between a respondent and DHA unless and until formal binding documentation has been signed. DHA is not obliged to proceed with or accept any submission. In particular, DHA reserves the right to negotiate directly with any party as part of this process. **Right to amend and terminate process:** At its absolute discretion, DHA reserves the right to amend and terminate the process set out in this document without notice. **Costs borne by respondents:** Any and all costs and expenses incurred by the respondents in any way associated with the development, preparation of their submission(s), including all its due diligence, attending meetings and providing additional information if required, will be entirely borne by respondents.

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