

DHA Guidelines for Lessor Valuer

Dear market valuer

We have been advised that you were selected by a Defence Housing Australia (DHA) lessor to conduct a secondary market rent valuation on their DHA leased property.

To complete the market rent valuation, you **must be** a certified practicing and registered valuer with the Australian Property Institute in the State or Territory where the lessor's property is located.

Your completed assessment will be applied in accordance with the terms of the lessor's *Defence Housing Australia (DHA) Lease Agreement* and should follow the instructions outlined below.

Making your assessment

Your assessment should consider the following:

Assessment date

Market rent for the property is to be determined as at the review date **31 December 2022**.

Comparables

Rental evidence of five comparable properties should be included in your report. Please ensure the comparable properties:

- are from the subject suburb where available
- are confirmed rentals prior to 31 December 2022 (i.e. not listed rentals)
- have a lease agreement that was reached between a willing lessor and a willing lessee in an arm's length transaction. This is, where each party acts knowledgeably, prudently and without compulsion and has regard to the usual market terms and conditions for leases of similar premises
- do not take account of any higher rent which might be paid by a tenant with a special interest
- do not take account of any lower rent which might be acceptable to a landlord with a special interest
- are not leased to DHA

The inclusions featured within DHA properties generally exceed the level of inclusions provided in the open rental market. Please consider the impact of quality fixtures, fittings, furnishing, landscaping and other such items when completing your valuation.

Vacant possession

Under the conditions of the *Defence Housing Australia (DHA) Lease Agreement*, DHA is responsible for most day-to-day repair and maintenance on leased properties (other than rectification of structural defects and repairs covered by insurance or warranties). As such, 'vacant possession' should be construed as the expected condition of the property at the commencement of the occupancy, with all normal cleaning, repairs, and garden maintenance undertaken. The general upkeep of the property by the occupant should not be considered.

Arranging an inspection

Property inspections can be arranged but must be by appointment only. Please contact the DHA Valuations team via email annual@dha.gov.au to obtain tenant details which will allow you to arrange an inspection appointment. Suitable identification, such as a business card, should be made available to tenants.

Submitting the secondary market rent valuation

The lessor is required to submit their secondary market rent valuation to DHA before **10 February 2023**. DHA endeavours to resolve all cases within a 30 day period from the date the report is received. You may be contacted by DHA or a DHA appointed market valuer to assist in resolving the case.

Regards

DHA Valuations Team

annual@dha.gov.au

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