

Working with Defence Housing Australia

Builders and developers



Defence Housing Australia (DHA) offers builders and developers the unique opportunity to work with their prospective tenant during the planning stages and leverage our investor database.

DHA is looking to work with builders and developers to add new properties to our portfolio to meet the housing needs of Defence members and their families.

As part of this process, we are seeking builders and developers to build properties that can be leased directly to DHA once complete. DHA may be able to commit to leasing a property before you purchase land or begin construction, and work with you to ensure that the final construction meets our requirements. These projects can range from a single dwelling up to multiple properties within a single development.

DHA's work with builders and developers generally falls under two models, both offering a lease on completion of construction:

- › we commit to a long-term lease on your property so you can sell it to an investor with a DHA lease in place, or
- › you retain ownership of the property and lease it to DHA once it is completed to the turn-key standard.

Benefits for the builder or developer

- › Work with the prospective tenant (DHA) during the planning and construction phase to simplify the process and create a DHA-ready/turnkey product for the investor.
- › Leverage economies of scale with DHA-compliant floorplans easily replicated across different projects or states (ability to increase output from the one floorplan).
- › Leverage efficiencies associated with building to DHA's standard requirements, with a focus on quality not luxury inclusions.
- › Pre-plan future stock flow with DHA able to commit to leasing properties up to two years in advance.
- › Create DHA-compliant house and land packages for investors (or to retain), which offer unrivalled benefits not available from the traditional market.
- › Secure an 'Offer to Lease' before you commit to the land or begin construction, with a commitment from DHA to lease for up to 12 years.
- › Leverage DHA-facilitated access to our investor database, plus benefit from DHA's existing brand awareness, marketing channels and advertising investment.
- › Ability to secure an investor to purchase the property before you begin construction.
- › Offer investors the peace of mind of guaranteed¹ rent, a long-term lease², and a reliable Government tenant at the end of their build.
- › Work with a trusted Australian Government Business Enterprise with 35 years' experience in leasing and managing properties.
- › Remove the need for additional third-party agents and associated commissions when/if leased to DHA.

Note: DHA's advertising guidelines must be adhered to.

1. The rental guarantee is subject to the terms of the lease. 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.

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.

Property requirements

The general requirements for leasing properties to DHA are listed below and may vary by location.

We recommend contacting DHA's Leasing Team on 133 342 or leasing@dha.gov.au during the planning stage of your project to ensure your proposed build meets our requirements.

Requirements	Free standing dwellings	Townhouses	Apartments
Location	Within 30kms of a Defence base	Within 30kms of a Defence base Close to transport links and amenities (such as shops and restaurants)	Within 30kms of a Defence base Close to transport links and amenities (such as shops and restaurants)
Bedrooms	At least 3 (with built-in robes)	At least 2 (with built-in robes)	At least 2 (with built-in robes) 1 bedroom accepted in some locations
Bathrooms	With separate shower and bath Separate toilet to bathroom	✓	✓
Ensuite	✓	Desirable	Desirable
Lounge	✓	✓	✓
Dining/meals	✓	✓	✓
Kitchen	✓	✓	✓
Laundry	✓	✓	✓
Garage	Double or single lock-up garage	Double or single lock up garage	Secure car accommodation
Outdoor area	Fully enclosed rear yard Covered outdoor area Low-maintenance garden	Covered outdoor area Low-maintenance garden	-
Storage	Internal storage: linen, broom and pantry cupboards	Internal storage: linen, broom and pantry cupboards	Secure storage room, cage or cupboard
Other features	Security screens Climate control	Security screens Climate control	Security screens (ground floor) Climate control
Service fee	16.5% (inc GST) for most free-standing properties	13% (inc GST) for properties where a body corporate is responsible for most of the common areas, including external paint	13% (inc GST) for properties where a body corporate is responsible for most of the common areas, including external paint

Benefits of a DHA lease

If you decide to retain the property in your portfolio, you can save time and money managing your assets with DHA's unique lease and property care services.

Alternatively, you may choose to sell the property to an investor. Either way, the same great benefits apply:

Guaranteed¹ rent: budget easily with guaranteed¹ rental income for the duration of the lease, even if the property is vacant.

Long-term lease: plan ahead with long lease terms of up to 12 years, with the possibility of extension.

Property care services: have most non-structural repairs² covered under our Property Care Contract.

One simple fee: receive these benefits under one simple service fee.

DHA Property Care

When a property is leased to DHA, we act as both tenant and manager for the 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 repairs², 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 via the online portal. We also facilitate investor inspections, for instance if they require a property valuation.

Rent review: we conduct periodic rent reviews through licensed, independent valuers (at DHA's cost) to ensure that investors receive market-value rent.

All of 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% (inc GST) for properties where a body corporate is responsible for most of the common areas, including external paint.

¹ - The rental guarantee is subject to the terms of the lease. 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.

² - 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 12,000³ investors are currently taking advantage of the benefits of DHA's long-term lease and property care services.



Guaranteed¹ rental income



Long-term leases of up to 12 years



Most non-structural repairs²



Property care services



Covered under a single service fee



About DHA

The Federal Government created 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 manage more than 17,000 properties to ensure Defence members have safe, quality accommodation close to their work and local amenities.

With more than 12,000 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.

Want to find out more?

To speak with DHA's Leasing Team about building a property to lease to DHA or projects you currently have under construction:

- › call 133 342, or
- › email leasing@dha.gov.au

Or scan the QR code below to access more resources.



Disclaimer

Defence Housing Australia (DHA) does not guarantee, warrant, or represent that the information contained in this material is free from errors or omissions. DHA reserves the right to make changes to any of the information or requirements contained within this document without notice.

The document is provided as a general guide only and does not constitute any offer or contract of sale. The opportunity is subject to the terms set out in the Offer to Lease documentation. Interested parties must rely on their own investigations, inspections, and analyses, seek appropriate expert advice (including financial, legal and accounting), and otherwise satisfy themselves in relation to all aspects of the opportunity.

All information contained herein is, and shall remain, the © copyright of DHA and may not be distributed, modified, or reproduced, in whole or in part without the express prior written consent of DHA. Any promotion of the opportunity must adhere to the DHA Advertising Guidelines.