DHA guidelines for lessor valuer

Dear Market Valuer,

You have been engaged by an owner (lessor) of a property leased to Defence Housing Australia (DHA) to carry out a secondary market rent valuation on their DHA-leased property. To perform this valuation, it is essential that you are a certified practicing and registered valuer with the Australian Property Institute or Australian Valuers Institute in the State or Territory where the **property is situated**. It is essential you follow the relevant Institute's guidelines and ensure you do not have a conflict of interest.

Your completed assessment will be implemented in accordance with the provisions of the lessor's DHA Lease Agreement and must adhere to the instructions detailed 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 2026**.

Comparable Evidence

Your report is required to include rental evidence of **five** similar properties. Please ensure the comparable properties:

- Are sourced from the relevant suburb where applicable
- These are confirmed rentals occurring before 31 December 2026 (excluding advertised 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
- Disregard any higher rental amounts that may be offered by tenants possessing a particular or unique interest in the property.
- Disregard any reduced rent that may be acceptable to a landlord possessing a particular interest.
- Are not leased to DHA
- Ensure each piece of rental evidence is adequately described.

Recognition of DHA inclusions

DHA properties typically offer inclusions of a higher standard than those found in the general rental market. When conducting your valuation, please consider the quality of fixtures, fittings, furnishings, landscaping, and other relevant items.

Vacant possession

As part of the management function in its lease, DHA is responsible for most normal maintenance on leased properties (other than rectification of structural defects and repairs covered by insurance or warranties). Therefore "vacant possession" should be construed as the condition properties would be expected to be in at the commencement of the occupancy, with all normal cleaning, repairs and garden maintenance undertaken. No account should be taken of poor housekeeping or poor garden maintenance by occupants, and no mention of this should be made in the report. For normal repairs and maintenance, the property should be valued as if the repairs have been undertaken.

Structural defects or loss of amenity consideration

Structural defects, which result in any loss of amenity or habitability, or outstanding repairs severe enough to impact on the valuation, are acknowledged as a distinct category and are not classified under routine repairs and maintenance. When assessing the condition of a property for vacant possession or during tenancy, any such structural issues identified are treated separately, and their rectification remains outside the scope of standard maintenance obligations. These defects must be taken into consideration during property assessments and are to be noted on the report.

Arranging an inspection

If instructed to carry out a physical inspection, all property inspections are available strictly by appointment. To schedule an inspection, please contact the DHA Valuations team at annual@dha.gov.au to obtain tenant details necessary for arranging an appointment. Appropriate identification, such as a business card, must be presented to tenants at the time of inspection. Tenant details are **not** to be provided to the Owner under any circumstances, in accordance with privacy requirements. **Once access for the inspection has been arranged, please ensure that the tenant's contact details are securely destroyed in line with privacy requirements.**

Valuer Collaboration and Communication Requirements

There may be a need to engage in a conversation with the DHA Valuer to discuss the merits of both reports. Open communication is encouraged to ensure all relevant factors are considered and any queries are addressed collaboratively. You should be willing and available to participate in this discussion as part of the review process if required.

Submitting the secondary market rent valuation

The lessor must send their secondary market rent valuation to DHA by **10 February 2027**. DHA aims to settle all cases within 30 days after receiving the report. DHA or a market valuer appointed by DHA may reach out to you to help resolve the case.

Regards

DHA Valuations Team
annual@dha.gov.au
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