

NDIS Information Guide



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Disability Housing Information Guide

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The information provided in this information guide is general information only and is not intended to imply any recommendation or opinion about the National Disability Insurance Scheme (NDIS) or taking an investment loan for this purpose. This information does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for you, considering your personal objectives, financial situation and needs and you should consider consulting with a financial adviser before making a decision about the NDIS.

General Information About the NDIS

What is the NDIS?

The National Disability Insurance Scheme (NDIS) is an Australian government initiative designed to provide support and funding to individuals with permanent impairments, such as intellectual, neurological, sensory, physical, psycho-social or cognitive impairments as well as children with developmental delays. The NDIS aims to help people with disabilities achieve greater independence, improve their quality of life, and participate more fully in their communities. Presently, the NDIS supports over 680,000 Australians. To learn more about the NDIS, visit [What is the NDIS? | NDIS](#)

How does the NDIS work?

The scheme provides funding for a diverse array of supports and services customised to each individual's requirements. This includes assistance with daily living activities, access to therapies, employment support, and community participation as well as housing supports at varying levels. Furthermore, the NDIS links participants with local services and resources, such as doctors, community groups, and support organisations.

The NDIS is administered through the National Disability Insurance Agency (NDIA).

What is Specialist Disability Accommodation (SDA)?

Of the housing supports provided within the NDIA, Specialist Disability Accommodation (SDA) is a niche, but vital component of the NDIS. It is purpose built and accessible housing that supports individuals living with extreme functional impairment or other high-care support needs. Through the funding of SDA housing, the NDIA aims to empower individuals to live a life that is largely independent and provides choice, dignity and control.

The SDA sector represents a small niche of the broader NDIS and will likely support around 30,000 participants by 2032. [Latest SDA and SIL statistics from the NDIS](#)

SDA properties are typically purpose-built and specifically designed to offer accessible and supportive living environments, allowing residents to live as independently as possible. These accommodations feature elements such as wider doorways and circulation areas for greater wheelchair accessibility, adjustable height benchtops, automation such as voice or remote controllable blinds, doors, and technology. For individuals with challenges regulating their behaviour, additional features such as resilient surfaces, reinforced walls and tamper-proof or anti-ligature appliances and fixtures are also a feature of SDA. For further information on SDA, refer to [Specialist disability accommodation | NDIS](#)

Glossary of Terms

NDIA (National Disability Insurance Agency)

An independent statutory agency whose role is to implement the National Disability Insurance Scheme (NDIS). The NDIA holds and manages scheme funds, administers access to the scheme and approves the payment of individual support packages.

NDIS (National Disability Insurance Scheme)

A scheme of the Australian Government which supports people with a permanent and significant disability. The NDIS provides funding to eligible people with a disability to afford greater independence, the ability to access to new skills, jobs, or volunteering in their community, and an improved quality of life.

NDIS Participant

A person with a disability who meets the access requirements to become a participant in the NDIS.

SDA (Specialist Disability Accommodation)

A legislated and purpose-built range of housing specifically designed with accessible features to ensure participants eligible for SDA funding in their plan are able to live more independent lives in a safe, supportive and enabling environment. The housing design allows for the safe delivery of other supports to be provided.

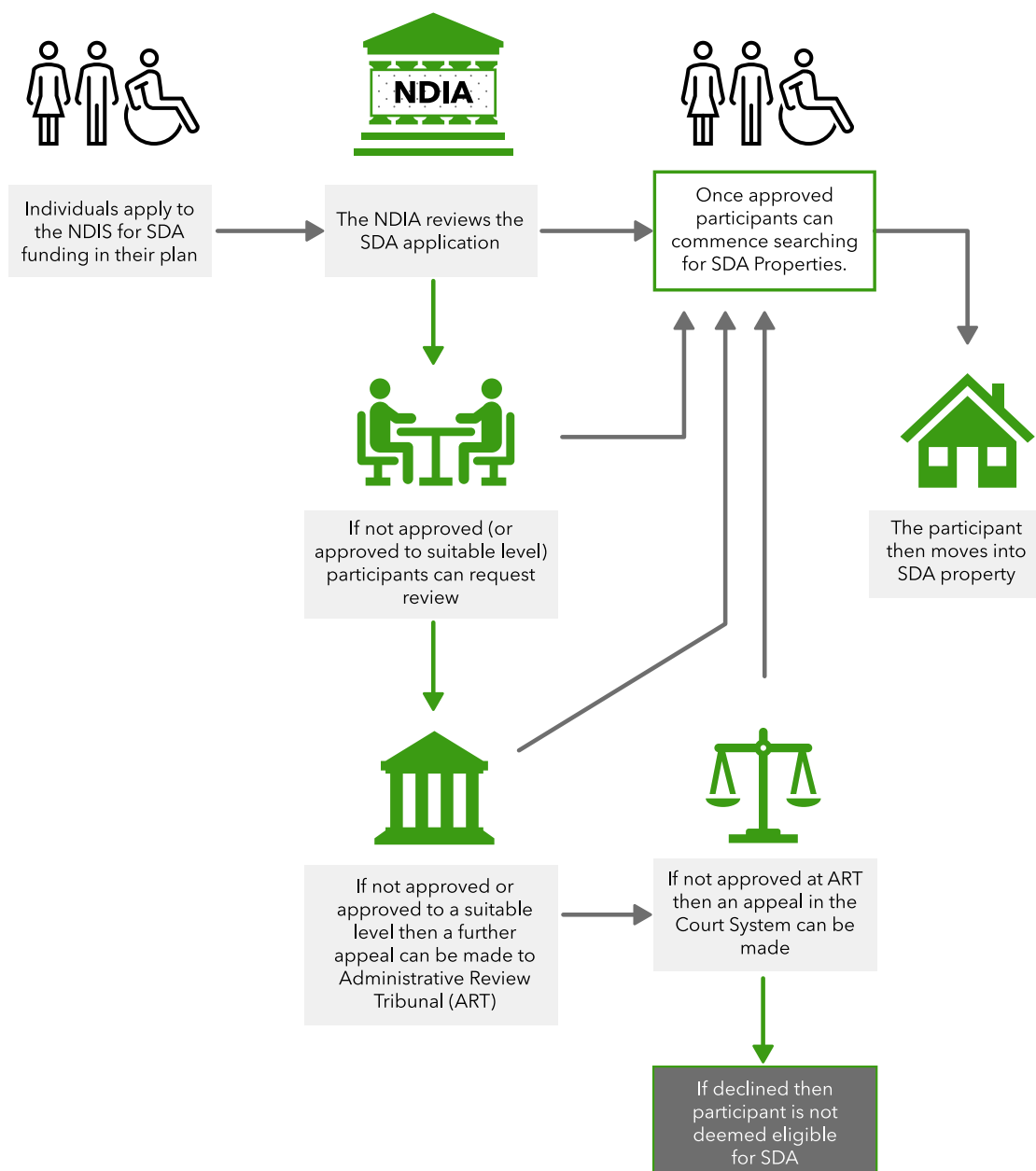
SDA Provider

An NDIS-registered organisation or individual that has satisfied regulatory, compliance and audit requirements to deliver services related to SDA. An SDA Provider can be an individual but it is often an organisation, which manages and delivers a range of support services relating to the housing component for a participant with SDA funding in their NDIS plan.

SIL (Support Independent Living)

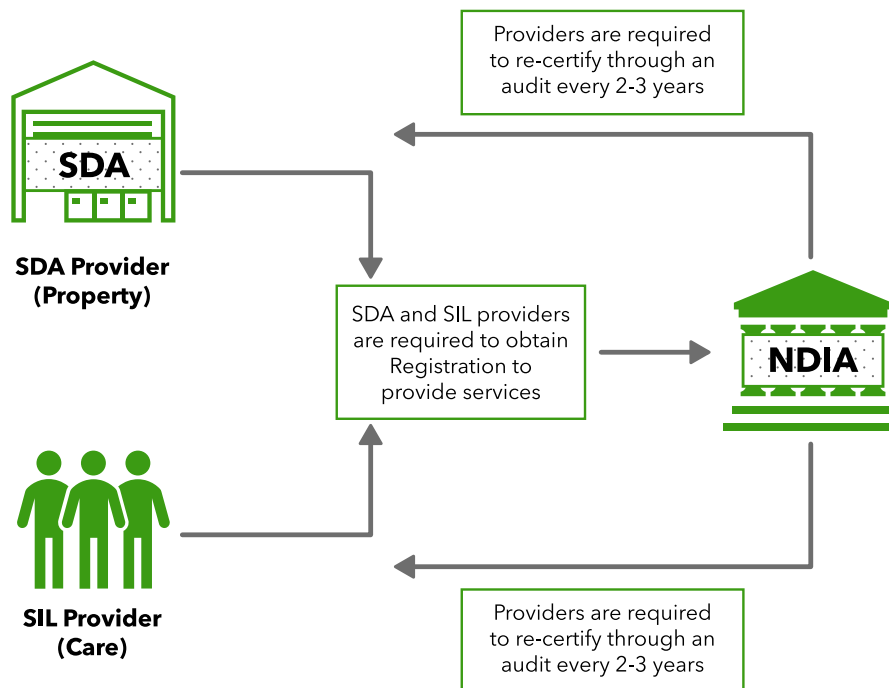
A series of services and supports provided to an individual with NDIS care funding in their plan. These services and supports relate to the daily living requirement, tasks and access to services, supports and the broader community and are distinct from SDA services. These services help empower individuals to live independently.

Participant SDA Funding and Appeal Journey



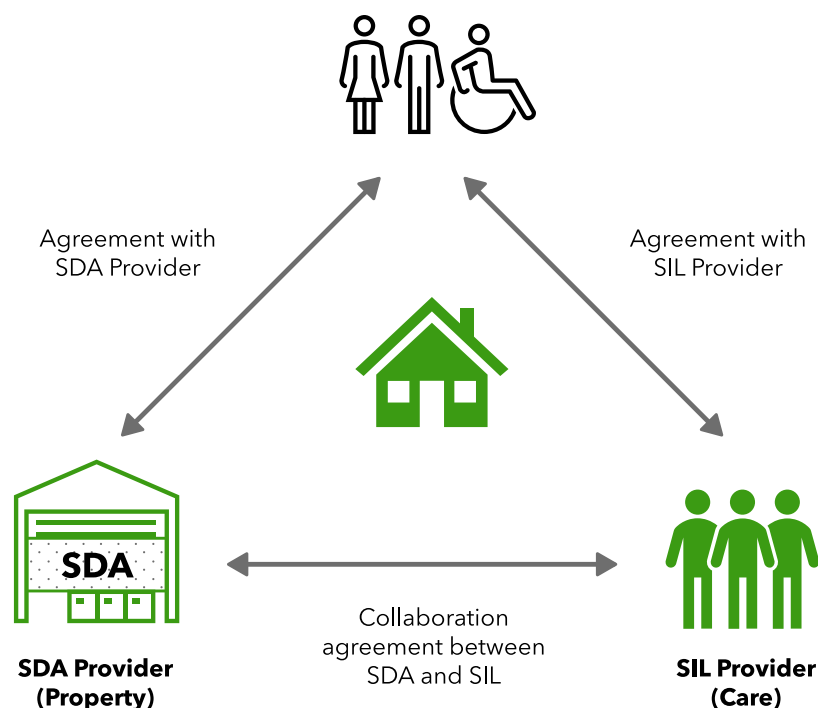
Source: Just Advisory Services Pty Ltd

Registration Process for SDA Providers



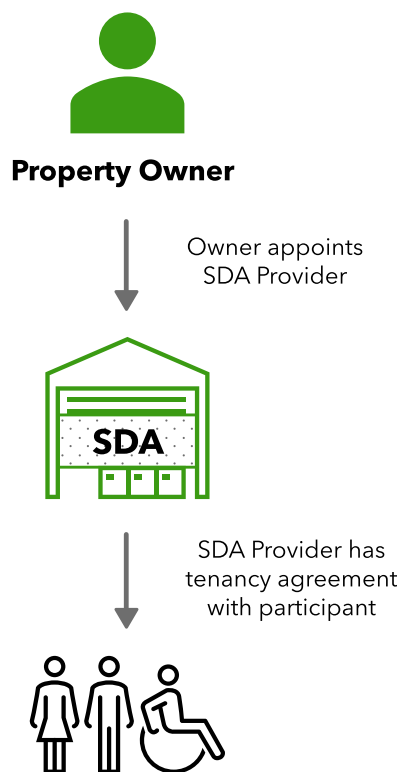
Source: Just Advisory Services Pty Ltd

Participant Agreement Structure



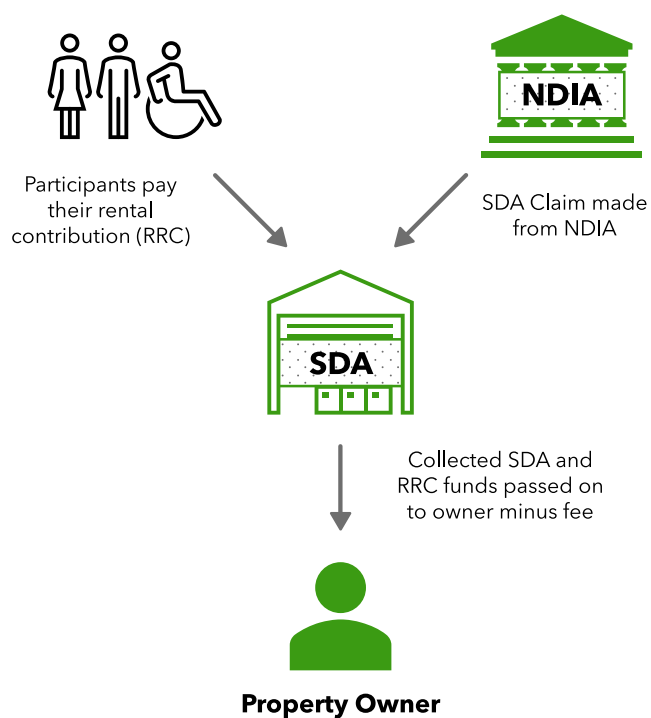
Source: Just Advisory Services Pty Ltd

Property Owner Structure



Source: Just Advisory Services Pty Ltd

SDA Payment Structure



Source: Just Advisory Services Pty Ltd

Important Information About Investing in NDIS Housing

Investing in NDIS housing, specifically SDA, offers a unique opportunity to contribute positively to society while potentially securing attractive returns. However, it comes with its own set of challenges and considerations. By understanding the following key aspects, investors can make informed decisions and contribute to providing high-quality, accessible housing for people with disabilities.

Considerations when buying SDA Properties

- ✓ Talk to a Financial Adviser about whether a NDIS investment loan is right for you.
- ✓ Seek independent Legal and Financial advice prior to entering into a purchase contract and appointing an SDA provider.
- ✓ An oversupply of NDIS properties in certain areas may lead to higher vacancy rates and lower rental returns. Conducting thorough market research to identify high-demand locations and appropriate SDA design types for the local areas is essential.
- ✓ Like any real estate investment, NDIS property values can fluctuate due to broader economic factors. Understanding local market conditions helps in making informed decisions.
- ✓ Despite expected demand, extended vacancies still occur, which impacts rental income. Researching and investing in locations where demand is strong can help mitigate this risk. For NDIS properties, proximity to essential amenities like healthcare, public transport, and recreational facilities are key considerations. Maintaining high property standards can also help to attract and retain tenants.
- ✓ The number of bedrooms in a property does not always equate to number of tenants that can be housed in a property due to NDIS participants requirements.
- ✓ NDIS properties often require specialised modifications and ongoing maintenance, which can be more expensive than standard properties. Budgeting for these expenses from the outset is important.
- ✓ Understand the SDA Design Categories and the standards required for the property. Properties must be tailored to meet the specific needs of NDIS participants, including accessibility features and assistive technologies. Failure to do so can lead to higher vacancies and participant dissatisfaction.

- ✓ Managing NDIS properties involves unique challenges, such as ensuring compliance with SDA design standards and meeting the specific needs of tenants. Effective property management is key to minimising these risks.
- ✓ The rules around NDIS properties are strict and complex. Ensuring compliance with SDA requirements and maintaining eligibility for government funding can be a time-consuming process. Regular inspections and updates to meet changing standards are necessary.
- ✓ Changes in government policies or NDIS funding structures can impact the financial viability of your investment. Staying informed about regulatory updates is crucial.
- ✓ The SDA amount calculations outlined in property valuation reports are indicative and should be independently verified by the SDA provider.
- ✓ When constructing an SDA property, it is highly recommended to engage an SDA provider prior to signing a building contract to discuss the appropriate design type for the local market and the associated property management fees.
- ✓ The cost of constructing an SDA property is higher than a standard residential property due to the specialised requirements and standards. Engaging with builders experienced in NDIS projects is advantageous, as they understand the unique requirements for SDA properties. Seeking out builders with a proven track record in the SDA market can significantly enhance the quality and suitability of an investment.
- ✓ NDIS properties can be more challenging to sell due to their specialised nature and limited market. This can impact the liquidity of your investment.

SDA Design Categories

Before an NDIS Property can be built, the type of property will need to be considered. There are four Specialist Disability Accommodation design categories:



Improved liveability

Housing that has been designed to improve 'Liveability' by incorporating a reasonable level of physical access and enhanced provision for people with sensory, intellectual or cognitive impairment by providing features like easy to see walls and floors. Some access components are included such as step-free access throughout the dwelling.



Fully accessible

Housing that has been designed to incorporate a high level of physical access provision for people with significant physical impairment. The access features can include wide doorways and hallways, accessible kitchen and bathrooms, step-free environments to entry and throughout, fixtures and fittings which can be used both from seating and standing positions such as automation of doors, blinds and appliances.



Robust

Housing for those participants who have complex and challenging behaviours and high support needs which may pose a risk to themselves or others. They are built to be very strong and durable, and the key features include use of resilient materials and surfaces, anti-ligature fixtures and tamper proof design to ensure a safe environment for the individual and their support team.



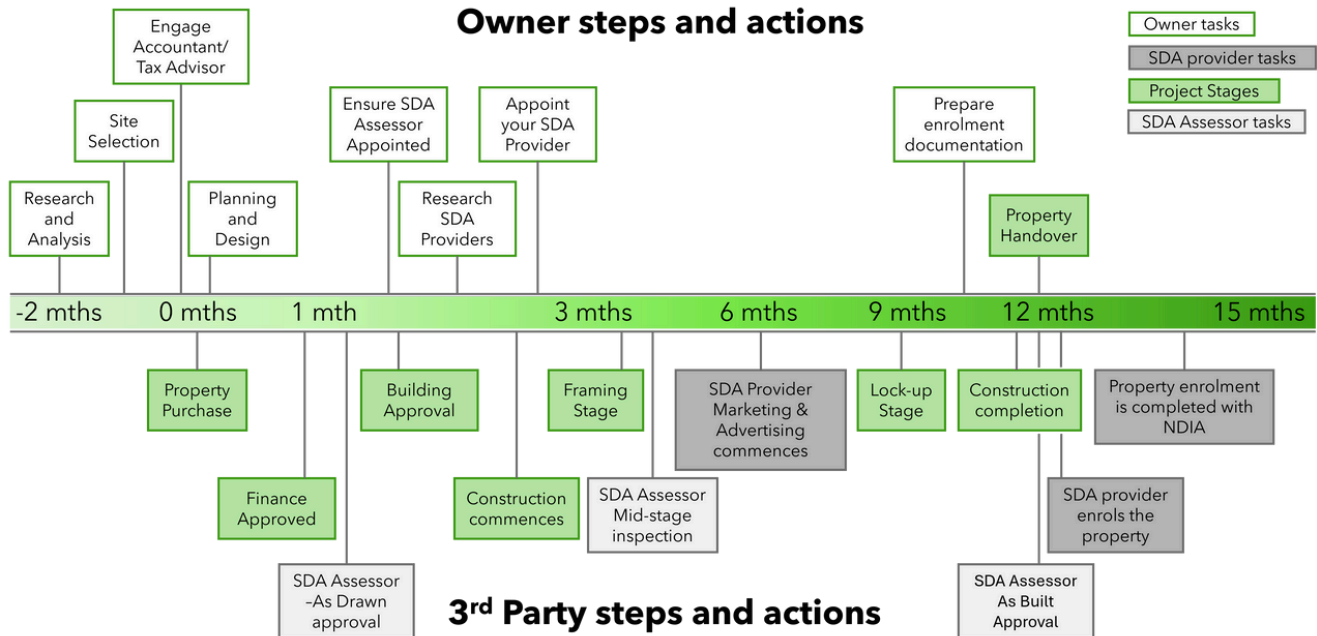
High Physical Support

Housing which provides a high level of physical access for people who need very high levels of care and support. The features can include a ceiling hoist, back-up power supply or home automation and communication back technology in addition to other features such as wider doorways, adjustable height benchtops, and larger circulation spaces in the bedroom, bathrooms and general living areas.

For further information, please visit: [SDA Design Standard | NDIS](#)

Timeline for SDA Property

The timeline for developing an SDA property involves several key stages. Below is a general overview with approximate timings:



Source: Just Advisory Services Pty Ltd

Overall, the entire process can take anywhere from 14 to approximately 36 months, depending on various factors such as location, complexity of the design, and approval processes.

Potential and Approximate Costs for SDA Property

The costs for owning and renting an SDA property are higher than a standard residential property and require an SDA Provider to enroll a SDA property and arrange participants.

Costs will vary between providers and the following summary is a guide of what the SDA providers may charge:

- Onboarding and enrolment - ranging upto \$10,000 for the property or for each individual moving into the property;
- Tenancy matching/Letting Fee - ranging from \$2,000 to \$16,000 per resident or can vary between 1-4 weeks equivalent rent;
- Ongoing management fees - ranging from 10-18% of the total SDA income collected.

Costs may also vary depending on the location of the property, the SDA design category and the effort required to find an NDIS participant as a tenant.

Role of an SDA Provider

An SDA provider plays a crucial role in supporting individuals with disabilities by managing and maintaining their accommodation. Here are some key responsibilities of an SDA provider:

1. Funding Management

SDA Providers claim funds from the NDIS on behalf of the participants' NDIS SDA plans. Owners of compliant SDA properties enter into contracts with SDA Providers for services including NDIS participants in the dwelling and for tenant management services. Residual funds can be used by the owner to repay a mortgage payment and maintain the property.

2. Maintenance and Repairs

The SDA Provider typically is responsible and ensures that the SDA home remains in a good condition, handling all necessary maintenance and repairs. Some SDA providers include these costs in their management services, but typically it is the owner's responsibility to cover these expenses.

3. Vacancy Reporting

The SDA Provider is typically responsible to the tenant management of the property and ensuring the owner remains advised and updated with any changes. The SDA provider will manage, advertise the property to attract and retain residents.

4. Service Agreements

SDA Providers form a written service agreement with each participant residing in the property. This Service Agreement outlines the terms and conditions of the accommodation in line with both the NDIS Act 2013(Cth) and the SDA Rules 2020 (Cth).

The best practice approach in the sector is that SDA provider is a separate organisation to the SIL provider, currently this is not mandatory and simply best practice. The NDIA has expressed a desire to implement these changes over time, however, there has not been a specific announcement yet.

A SIL Provider's role is to offer a range of supports and services to NDIS participants, enabling them to live as independently as possible in their homes or shared accommodation, focusing on building skills and managing daily tasks.

An SDA Provider's focus remains on the accommodation and housing itself, not the care provided within the property.

Selection of an SDA Provider

Choosing an SDA provider is a crucial step when investing in an SDA property, as they are responsible for enrolling the property with the NDIA and arranging tenants.

It is beneficial and strongly suggested to engage an SDA provider as early as practical, ideally prior to the construction phase of your property or project. By engaging an SDA provider early you will be able to benefit from their knowledge and experience and potentially receive design feedback to optimise your property to appeal to the correct audience or prospective residents.

Also by engaging an SDA provider early, the SDA Provider will have a longer period of time to help attract and find potential residents to move into the property. This process can take some months, so the sooner an SDA provider is engaged, the greater prospect an SDA investor has to find residents as the property nears completion.

The SDA provider should possess a thorough understanding of the NDIS market, including property vacancies, location demand and SDA categories.

These are some hints and tips when speaking to and selecting an SDA provider:

- **Determine their experience in the sector?**

- How long have they been in the sector?
- Why did they get into the sector?
- What is their background?
- Do they provide other services beyond SDA?

- **Determine their success as a business?**

- How many properties do they currently manage and support?
- How many vacancies do they have in these properties?
- How is the business resourced?
 - How many staff for they have?
 - Does that match for the number of properties they have?
 - Will they have capacity to support your property?

- **Determine their fees and services?**

- What are their ongoing management/ SDA provider fees?
- Do they have upfront engagement fees, how much are they, what are they for?
- Do they have other fees such as fees to support finding participants for their property? How much are they?

- Are there other ongoing fees, if so, what are they for? Are they optional?
- What services do these fees provide?
 - Do they cover maintenance, lawns, repairs?
 - How often do they inspect the property
 - Do they offer certainty or guarantees for their performance?
- **Ask to review their appointment, agreement or similar documents?**
 - Have you taken this to your independent lawyer or legal professional to review?
 - Do you have the ability to cancel and terminate your agreement?
 - If so, are there any associated costs?
 - If not, are you happy for the provider to manage your property regardless of performance?
 - How long is the term of the agreement? 2-5 years is common.

More Information on NDIS

It's important to stay informed about the NDIS market. More information or assistance is available through discussions with local SDA providers, or researching using the following links. These sites are updated frequently to provide the latest information.

This will help maximise the likelihood of a property being quickly tenanted by NDIS participants:

1. NDIS ([National Disability Insurance Scheme \(NDIS\)](#))

This official website provides comprehensive information about the NDIS. It covers everything from eligibility criteria and application processes to participant stories and updates on NDIS policies and initiatives.

2. SDA Demand Data ([SDA demand data | NDIS](#))

This page is regularly updated with data on Specialist Disability Accommodation (SDA) demand. It includes information on the number of SDA-eligible participants currently living in SDA, those with SDA funding searching for suitable accommodations, individuals seeking alternative SDA options, and participants who have completed the SDA housing assessment and are awaiting funding.

3. SDA Enrolment Process ([SDA dwelling enrolment and vacancies | NDIS](#))

This section provides detailed guidance on how to enroll a dwelling as SDA with the NDIA. All applications must be submitted through the "my NDIA provider portal." It also includes FAQs and resources to help providers understand the enrolment requirements and process.

4. SDA Provider Finder ([Provider finder | NDIS](#))

This tool helps participants find registered NDIS providers, including those offering SDA. It allows users to search for providers based on various criteria to ensure they find the most suitable support.

5. SDA Vacancy Finders ([SDA finder | NDIS](#))

This tool assists in searching for available SDA vacancies. Users can filter results by building type, design category, number of residents, and other criteria to find accommodations that meet their needs.

6. SDA Alliance ([Specialist Disability Accommodation](#))

The SDA Alliance is a peak body who represents the SDA market participants including, SDA providers, institutional investors, developers, builders, financial institutions, allied health professionals and industry consultants. It plays a crucial role in the SDA sector by advocating for better housing outcomes for people with disabilities through improved housing options and support services.

7. Registered SDA Provider Finder ([Find a registered provider | NDIS Quality and Safeguards Commission](#))

This tool allows you to check if an SDA provider is registered, or if their registration has been suspended or revoked. It also lists providers that have been registered with the NDIS Commission.

Alternative Rental Options

Despite anticipated demand, it may be difficult to find an eligible tenant for an SDA property. It may be beneficial to seek independent financial advice as to your personal needs and circumstances should you face high vacancy rates. A financial adviser may be able to help you understand your options. Some options include:

- **Medium Term Accommodation (MTA)**

This provides a safe space for a longer period, typically up to 90 days, while waiting for a more permanent solution.

- **Specialist Independent Living (SIL)**

This option provides support services in a shared living environment for NDIS participants, helping them live independently in their chosen home. It can be combined with SDA to offer a complete living solution.

- **Group Homes**

These are shared living arrangements designed to support individuals with disabilities, offering a community environment with necessary support services.

- **Family and shared living scenarios (Appendix H)**

Creates an SDA funding scenario where families or friends can live together. It may be husband and wife, siblings or dependents.

- **Blended SDA/ SIL options**

In some locations and areas, you may be able to accommodate an SDA resident with 1-2 non-SDA residents to help extend the care model as well as secure a slightly higher return on your property. This is an option gaining traction for long-term vacant properties.

- **Standard Rental Property**

Placing the property with a Real Estate Agent and renting to the wider rental property market at standard market rent.

Disclaimer

Like any investment, investing in SDA involves risks. It's important for investors to seek independent advice and thoroughly evaluate any proposals presented to them.

Please refer to the NDIS website <https://www.ndis.gov.au/> for most up to date information on the National Disability Investment Scheme.

