



Australian Government

Department of Social Services

Cautionary Note to Developers, Investors and Charitable Organisations: Trading of Incentives under the National Rental Affordability Scheme

General Warning

Be extremely careful before agreeing to pay any funds in respect of a transaction involving an allocated or reserved incentive under the National Rental Affordability Scheme (NRAS).

The Department has recently become aware that dwellings are being marketed in circumstances where the dwellings may be falsely represented as having NRAS incentives attached. Falsified documentation may be provided to support such claims.

In addition, the Department is concerned that people may be offering to get an NRAS incentive attached to your dwelling. It should be noted in this regard that in almost all circumstances, the capacity to transfer a reserved incentive to a new dwelling will be ceased from Tuesday 23 December 2014.

Background

The Department has become aware of unscrupulous persons/entities who purport to have NRAS incentives under the Scheme, and who are then selling those “incentives” to unwary investors, developers and charitable organisations. The persons involved may have been falsifying correspondence from the Department as “proof” that they hold the incentives. In some cases, people have found that they have paid a large sum of money for nothing.

What should you do about it?

If you have paid money and subsequently discovered that you have been taken advantage in this way, we recommend that you seek legal advice and or report it to the police. As it is bound by the legislative framework, the Department has no authority to provide you with a separate incentive to make good the loss you have suffered.

Subject to seeking your own legal advice, we would recommend that you do not agree to the payment of any funds until you have received direct confirmation from the Department (not passed to you by a third party) that an NRAS incentive is reserved or allocated in respect of a particular dwelling.

Similarly, we would recommend that you **do not agree** to enter into a commercial arrangement, where the seller will not agree to give you authority to approach the Department directly and confirm that a dwelling has a NRAS incentive reserved or allocated in respect of it.

Please note:

- The Department has rejected and may reject requests to transfer an incentive from one dwelling to another. The regulations require a stringent assessment before a transfer can be agreed. You should await the outcome of an application to transfer.
- A reserved allocation cannot be transferred to a dwelling that has already been tenanted.