



Australian Government

Department of Social Services

Dear approved participant

Essential requirements and checklist for market rent valuations

This letter is to bring to your attention the legislative and policy requirements for market rent valuations. The following advice will help approved participants submit valid market rent valuations for the National Rental Affordability Scheme (NRAS).

During incentive processing for the 2014-15 NRAS year, the main area of non-compliance identified so far has been incorrect market rent valuations. Around 60 per cent of non-compliance issues are related to invalid market rent valuations.

In order to further improve our processing efficiency and the issuing of NRAS incentives for compliant dwellings, we would like to further assist approved participants understand our requirements for valid market rent valuations.

Market rent valuations for all approved rental dwellings are required when the dwelling is first available for rent, and for the fifth and eighth years of the NRAS incentive period. Under the NRAS Regulations, the permitted valuation period for NRAS dwellings is:

- 13 weeks (91 days) either side of the actual first available for rent date; and
- 13 weeks (91 days) either side of the last date of the fourth or seventh years of the NRAS incentive period.

Approved participants are required to lodge with the Department their completed market rent valuation within 13 weeks of the first available for rent date, and within 13 weeks of the last date of the fourth and seventh years respectively.

When the Department assesses your submitted market rent valuation, and it is determined to be valid, this is the document which is used for ongoing compliance requirements. Approved participants cannot resubmit new market rent valuations after the Department has assessed their initial market rent valuation as valid. Only at the next required period, e.g. for the fifth and eighth NRAS incentive years, should a new market rent valuation be lodged in the NRAS portal.

To help you understand what information the Department requires for market rent valuations, a checklist has been developed and is attached for your use.

We recommend that you utilise the checklist to ensure your market rent valuations are valid prior to lodging with the Department.

Any queries on this issue, and other NRAS matters, can be sent via email to nras@dss.gov.au.

Yours sincerely



Damian Coburn
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NRAS

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Checklist for market rent valuations as at 2 October 2015

This checklist summarises what the Department checks for in market rent valuations.

Your market rent valuation must:

- be prepared and lodged with the Department within 13 weeks of the first available for rent date or, for the fifth or eighth years, within 13 weeks of the last date of the fourth and seventh years respectively
- specify the actual date to which the market rent value relates. This must be a date within 13 weeks (91 days) either side of the actual first available for rent date for new dwellings. For the fifth year and eighth year, within 13 weeks (91 days) either side of the last date of the fourth or seventh years respectively
- be completed by a registered valuer in the applicable state or territory
- be completed by a valuer who has no commercial relationship or interest with the owner or manager of the applicable dwelling, or with the recipient of the Commonwealth or State and Territory Government benefit in relation to the dwelling
- include the specific and correct address, including the sequence of unit and street numbers, as listed in the NRAS portal. If the NRAS portal has a lot number, section plan or registered plan details; update this to the correct physical street address
- include the correct number of bedrooms for the dwelling as listed in the NRAS portal
- include the weekly market rent that would be charged, i.e. 100 per cent market value
- not include a range amount (e.g. \$300-\$330) and not include the Goods and Services Tax (GST) and should only reflect the rental component. For example, excludes items such as internet, Foxtel or meals
- include the actual condition of the dwelling of which the valuation has been made. For example, furnished or unfurnished, new, reasonable wear and tear for a five year dwelling or in need or significant renovation
- once determined as valid by the Department, be the final version for the applicable incentive period and not be revised or updated versions uploaded to the NRAS portal