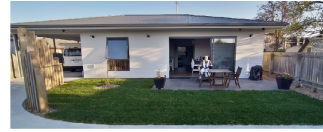


Housing Hub Building Or Buying Your Own SDA



Housing Hub Building Or Buying Your Own SDA User Guide

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Housing Hub

Housing Hub Building Or Buying Your Own SDA



Product Information

- **Specifications**

- **Product Name:** Specialist Disability Accommodation (SDA)
- **Release Date:** July 2022
- **Provider:** Housing Hub
- **Website:** housinghub.org.au.

- **Introduction**

- The Specialist Disability Accommodation (SDA) guide is designed for individuals with SDA funding in their NDIS plan who wish to own their SDA home or for family members seeking to provide housing for a loved one with a disability.

- **Where to Start**

- SDA funding enables individuals with disabilities to own their homes, but certain challenges need to be addressed.
- Consideration should be given to the reasonableness and necessity of SDA funding for you, understanding the SDA process, financial aspects like loan repayment and home loan deposit, adherence to NDIS design rules, and the paperwork involved in being an SDA provider.

- **The Process**

- Getting SDA funding involves a complex process that can be simplified by breaking it down into steps. Understanding the steps, seeking information, and taking one step at a time is crucial.
- Various resources and websites can guide navigating the SDA process.

- **Documents to Read**

- Key documents to familiarize yourself with regarding SDA include SDA Pricing Arrangements and Price Limits, SDA Design Standards, and SDA Rules.
- These documents provide insights into the pricing, design standards, and rules governing Specialist Disability Accommodation.

- **What Level of SDA Funding Do You Have?**

- Upon approval of SDA funding, details about the funded SDA will be outlined in your NDIS plan. Factors influencing the amount of SDA funding include Physical Support (HPS) and the number of individuals expected to share the SDA home.

Product Usage Instructions

- **Step 1: Assessing SDA Funding Eligibility**
 - Review your NDIS plan to determine if you have SDA funding allocated. Consider the reasonableness and necessity of SDA funding for your housing needs.
- **Step 2: Understanding the SDA Process**
 - Familiarize yourself with the SDA process by seeking information from resources like the Housing Hub website or contacting the Housing Advice Line for assistance.
- **Step 3: Financial Considerations**
 - Evaluate the financial aspects of owning an SDA home, including loan repayment options, home loan deposit requirements, and budgeting for associated costs.
- **Step 4: Compliance with NDIS Design Rules**
 - Ensure that your prospective home meets the NDIS design rules to qualify for SDA funding. Make necessary modifications or choose a property that aligns with these regulations.
- **Step 5: Becoming an SDA Provider**
 - If opting to manage paperwork as an SDA provider, understand the responsibilities involved or consider outsourcing this task to a professional organization.

FAQs

- **Q: How can I determine if I am eligible for SDA funding?**
 - **A:** Review your NDIS plan to check for allocated SDA funding and assess the reasonableness and necessity of this funding for your housing requirements.
- **Q: What are the key documents I should read regarding SDA?**
 - **A:** Important documents to read include SDA Pricing Arrangements and Price Limits, SDA Design Standards, and SDA Rules to gain a comprehensive understanding of Specialist Disability Accommodation.

Introduction

- This guide is for people who already have Specialist Disability Accommodation (SDA) funding in their plan and want to own their SDA home, or for family members looking to provide a home for a loved one.
- To learn more about SDA or find out how to get SDA funding in your NDIS plan, see the [Resources section of the Housing Hub website](#). [Image courtesy](#)

Where to start

SDA can be a way for people with disability to own their homes. But there are quite a few hurdles to overcome, meaning that home ownership will only be possible for a small number of NDIS participants.

Could you use SDA funding to buy a home? Here are some things to think about upfront:

- **Is SDA funding right for you?**
 - If SDA funding is reasonable and necessary for you, it will be put in your NDIS plan. You can learn more about the [SDA process here](#). If you have any questions about applying for SDA funding or how it works call the Housing Hub's SDA Advice Line on 1300 61 64 63 or email: hello@housinghub.org.au.

- **Is your SDA funding enough for the loan repayments on the home you want to build or buy?**
 - The amount of SDA funding in your NDIS plan depends on the category of SDA you are funded for, the type of building and several other factors – for more info see the section called ‘What level of SDA funding do you have?’ You will need to ask the bank if it will be enough for your home loan repayments.
- **Do you have enough money saved for a deposit?**
 - SDA funding can be used to repay a loan on your SDA home, but the amount of money needed for a home loan deposit is a big hurdle for many people. See the section called ‘Costs’ for more info.
- **Can the home you want to build or buy be registered as SDA?**
 - The NDIS has strict design rules for SDA. Even if your home is right for you, if it doesn’t meet the [SDA Design Rules](#), you can’t use your SDA funding for it. For more info, see the section called ‘Build, renovate or buy?’
- **Will you be your own SDA provider or will you get someone else?**
 - There is a lot of paperwork involved with being a registered SDA provider. Some people choose to manage this themselves, while others pay another person or organisation to do it for them. See the section called ‘Becoming an SDA provider’ for more info.

The process



- The process for getting Specialist Disability Accommodation (SDA) funding can seem really complex. The key is to break it down into a series of steps and just take one step at a time.
- The SDA process can be broken down in lots of different ways. The steps shown above may be different to the steps shown in other resources and on other websites. What matters is that you understand what you need to do now, and where to find info about what to do next.
- If you need help to understand the SDA process, call our Housing Advice Line on 1300 61 64 63 or email housingoptions@housinghub.org.au.

Documents to read

SDA is a complicated area of the NDIS. There are several documents that you should read to get a good understanding of what SDA is and how it works.

These are:

- SDA Pricing Arrangements and Price Limits (previously called the SDA Price Guide)
- SDA Design Standards
- SDA Rules

What level of SDA funding do you have?

When you are approved for SDA funding, details about the SDA you have been funded for will be included in your NDIS plan. These things affect how much SDA funding you will get:

- **Building type** – apartment, villa/townhouse/duplex or house
- **Design category** – Improved Livability, Robust, Fully Accessible or High Physical Support (HPS)
- **On-site Overnight Assistance (OOA)**
- **Breakout room** (Robust design category only)
- **Location factor** – because a home costs more in central Sydney than in Albury, different SDA funding levels are set for different local government areas (LGAs) – listed in the [SDA Pricing Arrangements](#) document
- **Fire sprinkler allowance** – this allowance affects the SDA payments by the amount listed at the bottom of the Base Price tables in the SDA Pricing Arrangements document
- **Number of bedrooms**
- **Number of residents** – this is the number of participants the NDIS expects you to share your SDA home with. If you plan to live on your own or share your home with a partner and/or kids rather than housemates, this number should be ‘1’.

Build, renovate or buy?

- Any SDA home built after 1 April 2016 attracts the New Build prices as listed in Appendix B in the SDA Pricing Arrangements document. It is possible to buy an older home and renovate it to the SDA Design Standards, but the ‘minimum refurbishment costs’ (in Appendix F) must be met before being eligible for New Build payments. The minimum refurbishment costs are quite high (for example, over \$400k for a 2-resident, HPS house with OOA), so in many cases, it will be cheaper to build rather than renovate.
- It may be possible to renovate an older home to the SDA Design Standards for less than the minimum refurbishment costs and enrol it as Existing Stock (see Appendix C of the SDA Pricing Arrangements), but it is important to check with the NDIS and your bank first.
- Note that the SDA payments for Existing Stock are much lower than for New Build.
- Any builder can build an SDA – no special qualifications are required for builders to build an SDA. But be careful when you select a builder because attention to detail is required to make sure the home is built exactly to the [SDA Design Standards](#). Even small variations from standards might mean you can’t enrol the home as SDA. Consider using a builder who has experience building to Australian Standards ‘Design for Access and Mobility’ requirements (known as AS1428.1).
- SDA payments will only be made once the property is enrolled as SDA and you move in. So if you plan to buy a block of land first and build your SDA home on it later, you will need enough money to buy the block before you start receiving SDA payments.
- It is also possible to buy an existing SDA property but you will have to make sure it meets the SDA Design Standards if it is not already enrolled. You should have the property checked by an SDA assessor to make sure

it meets the standards before buying.

Costs

- Self-providers of SDA can borrow money and use their SDA payments to repay the loan.
- Currently, Bank Australia seems to be the only large financial institution offering this option. There may be other private finance options, but they do not have well-publicised lending criteria.
- Bank Australia is conservative in its lending. It will only lend up to 80% of the value of a property. A minimum 20% deposit is required. Generally, its SDA loans are expected to be serviced by the SDA funding, however, other sources of income in some situations may be considered.
- Bank Australia calculates the amount it will lend based on a loan-to-value ratio of 80% of the value of your finished home on the open market, not the cost. Stand-alone SDA homes typically cost more to build than they are valued at, so an additional deposit is likely to be required. Apartments may not have the same discrepancies.

Here is an example:

- **Land and build – actual cost:** \$800k
- **Bank valuation of the completed home:** \$700k
- **80% loan on a \$700k valuation =** \$560k
- **Amount of deposit required to pay for the \$800k cost =** \$240k
- **Effective deposit required:** 30%

A family member, friend or other person can provide some or all of your deposit. A deposit can be cash or a mortgage over another property may satisfy the bank's security requirements. You need to discuss with the bank whether this will affect how much it will lend you. SDA payments from the NDIS can sometimes be delayed, so it is recommended you have extra savings or other income sources to make sure loan repayments are always up-to-date. If there are delays in NDIS funding that would cause a loan to fall into arrears, Bank Australia has said it will work with the lender to find the best way to overcome this.

Co-ownership

- Co-ownership means that more than 1 person owns the property. Usually, co-ownership is worked out as a share of the property. For example, you may own half the property, and someone else (or an organisation) owns the other half.
- Some organisations may consider becoming a co-owner of your SDA home and lending you the money for your share in the property.
- This arrangement may make home ownership more achievable, but make sure you understand how it works in the long term and get independent advice before you sign anything.

Tax treatment

- **First, a warning:** This is general information, please see a tax specialist for advice specific to your circumstances.
- SDA payments made directly to you as a registered provider, or through a third-party provider, should be tax-free like other payments received from the NDIS, and not count as income for Centrelink purposes.

- A family member, friend or other person can become the 'self-provider' of your SDA home, but the SDA payments they receive would probably be considered income and they would have to pay tax on them.
- SDA is also listed as a GST-free supply (please see [GST-free Supply \(National Disability Insurance Scheme Supports\) Determination 2021](#)), so SDA providers registered for GST can potentially claim back the GST paid on the build cost. (Note: You must be the registered SDA provider to claim GST back.)
- The Australian Tax Office (ATO) has said the SDA benefit the taxpayer receives (and is entitled to as a participant with an approved plan) is exempt from tax if the taxpayer is also the provider. However the ATO has said that an income tax return still needs to be lodged against the ABN number, even if the income received against it is tax-free.

Ongoing costs

When working out if you can afford to build or buy your own SDA, you should factor in the ongoing costs of owning your home. These include:

- Council rates
- Utilities – water, power, gas, phone, internet
- Insurance

If the SDA payments you receive as the provider of your SDA are more than the repayments on your home loan, you can use the extra money as you choose. However, the funding you get in your NDIS plan for support cannot usually be used for day-to-day living costs such as utilities.

Becoming an NDIS provider

People who own their SDA home are known by the NDIS as 'self providers'. To be a self-provider you need to register with the NDIS Quality and Safeguards Commission (NDIS Commission) and become a registered NDIS provider. This is a complicated process and there are no special allowances made for self-providers – you have to go through the same process as large organisations. You need to have a set of policies and procedures that address the SDA module in the [NDIS Practice Standards](#) (Module 5 – you don't need to address the other modules). You can buy a set of policies and procedures from businesses that specialise in provider registrations or you can create your own. Buying these documents may cost you between \$1,000 and \$3,000. You can apply online to become an NDIS provider through the [NDIS Commission website](#). You have to complete 'self-assessment' questions, which outline how your policies and procedures address the 5 Practice Standards that apply to SDA registration:

- Rights and responsibilities
- Conflict of interest
- Service agreements with participants
- Enrolment of SDA properties
- Tenancy management

Audit

- To be an NDIS provider, you will have to participate in a regular NDIS audit process. The NDIS Commission has developed a process to follow, but it can be complex and time-consuming, particularly for self-providers.
- After submitting your NDIS provider application, you will receive a 'Scope of Audit' from the NDIS Commission. This is a document you need to pass on to auditors so they can give you a quote for your NDIS audit.
- You can only use an auditor that is on the [approved list by the NDIS Commission](#). Once engaged, the auditor

will conduct a 'certification' audit (the more involved of the 2 audit types, the other being a 'verification' audit).

- Audits cost around \$5,000 and SDA providers need to do 1 every 3 years. All other NDIS providers have to do an 18-month 'mid-term audit', but this is not required if you are only registered for SDA.
- If you pass the audit, your auditor will send their paperwork to the NDIS Commission recommend registration (or, for audits after your first renewal).
- Hearing back from the NDIS Commission can be slow, with wait times reported to be around 6 months. If you have gone through your options and decided to become a self-provider, do your registration early to avoid delays in receiving your SDA payments.
- The Summer Foundation has an online training resource called [Welcome Home](#), which is a package of information to help SDA providers understand their requirements and responsibilities.
- Going through the resource is a good way to prepare for the registration audit, as it highlights how providing SDA is different from normal housing. It applies to self-providers because you have to have policies and procedures as if you were providing SDA homes to other participants.

Outsourcing provider registration

- An alternative to registering as your own SDA provider is to outsource this to a 'third party' – a person or organisation who will do this for you. The third party can enrol your SDA home with the NDIS on your behalf, as long as they have your written permission to do so.
- The third-party SDA provider will typically take a percentage of the monthly SDA payment as a fee and pass on the rest to you. The fee charged by a third-party SDA provider might be between 5% and 20%. Different providers may offer different levels of service for your provider registration. It is important to make sure services meet the NDIS Commission standards.
- Some people may want to outsource to a third-party SDA provider at first, take their time doing the paperwork to become an NDIS provider, and then become a self-provider once everything is complete. You would need to make sure that any agreement you sign with the third-party SDA provider takes this into account.

Conflict of interest

- Being a self-provider of SDA means that the person providing the housing (you) is the same person who is receiving the housing (you). It has been clarified by the NDIS Commission that this is not a conflict of interest. If someone tries to tell you otherwise, they are mistaken.

SDA assessment and enrolment

- To be enrolled as an SDA with the NDIS, your home needs to be assessed by an SDA assessor who is accredited by the Access Institute. Homes are first given a 'provisional' assessment at the design stage, to make sure all the plans meet the [SDA Design Standards](#), then again at the end in what is called a 'final-as-built' assessment.
- A list of accredited SDA assessors is on the [Livable Housing Australia website](#).
- After both assessments, the assessor emails the Certificate of SDA Category Compliance, SDA Assessment checklist and SDA Assessment Summary Form to the NDIA via the SDA email address: sdaenrolment@ndis.gov.au.
- The SDA Design Standards are very strict. There is no 'wobble room' in the required minimum dimensions and

measurements – even if that means self-providers have to have designs and features that don't meet their specific disability requirements.

- After the assessment is passed your home can be enrolled as SDA through the 'my NDIS provider portal' (also known as Provider Digital Access, or PRODA). The process for enrollment can be found on the NDIS website [here](#).

Claiming SDA payments

- Once your home is enrolled as SDA you need to ask the NDIS for SDA to be implemented in your plan.
- The NDIS calculates what the SDA funding value will be and allocates that amount to your plan.
- It then creates a service booking and every month you can log into your provider portal and make a claim for the SDA payment. The SDA payment will be deposited into your nominated bank account.
- SDA payments on New Build SDA homes are paid for 20 years from enrolment with the NDIS – but only while someone with SDA funding in their NDIS plan is living in the home. After 20 years the SDA payments revert to the Existing Stock rates.

How To Claim



Building or buying your SDA

- Housing Hub
- hello@housinghub.org.au.
- www.housinghub.org.au.
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Disclaimers

- The Housing Hub and the Summer Foundation have prepared this report in good faith based on information available to us at the date of publication.
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- The Housing Hub and the Summer Foundation are not liable to any person for any damage or loss that has occurred or may occur, to that person taking or not taking action in respect of any representation, statement, opinion or advice referred to in this report.

Documents / Resources

| | |
|---|---|
|  | <p>Housing Hub Building Or Buying Your Own SDA [pdf] User Guide Building Or Buying Your Own SDA, Buying Your Own SDA, Own SDA</p> |
|---|---|

References

- [🏠 Housing Hub](#)
- [🏠 Housing Hub](#)
- [User Manual](#)

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