

Vacant and Unavailable Periods

Vacant and unavailable periods for properties under the National Rental Affordability Scheme (NRAS) can have an effect on incentive payment amounts.

A vacant period is where a property is available for rent, but no lease is in place. An unavailable period is where a property is not available to rent due to damage, repairs or owner instruction.

The effect of vacant and unavailable periods on your incentive payment is summarised in the table below and explained in further detail in subsequent sections.

PERIOD TYPE	LENGTH	EFFECT ON INCENTIVE
Vacancy	91 days or less	Nil
	92 – 182 days	Pro-rata reduction of incentive
	183 days or more	Incentive reduces to \$0 for the year
Unavailable period	182 days or less	Pro-rata reduction of incentive
	183 days or more	Incentive reduces to \$0 for the year

Excess vacancy resulting in pro-rata reduction of incentive

NRAS Regulation 28 covers reductions from the full incentive amount. It states that:

1. If a dwelling is vacant for a cumulative or continuous period of more than 13 weeks (91 days) in an NRAS Year, the incentive payable for that year will be proportionally reduced for the period of vacancy in excess of 91 days.
2. If a dwelling is vacant for a continuous period of more than 13 weeks (91 days) across two NRAS years, the incentive payable in the second year will be proportionally reduced for the period of vacancy in excess of 91 days.

This is shown graphically at the end of this document, along with several examples of how it applies.

Excess vacancy resulting in nil incentive

The regulations were amended on 15th July 2017 and apply retrospectively as of the NRAS year that commenced on 1st May 2016.

NRAS Regulation 16 covers conditions that must be met for all NRAS allocations (dwellings). Regulation 16 (1D) states that:

1. A dwelling must not be vacant for a period of more than 26 weeks during the relevant NRAS year (whether or not the period is continuous); or
2. A continuous period of more than 26 weeks that:
 - a. Begins no more than 26 weeks before the end of the previous NRAS year; and
 - b. Ends in the relevant NRAS year.

Unavailable Periods

NRAS Regulation 28 covers reductions from the full incentive amount for unavailable periods also. It requires that the incentive amount be proportionally reduced for any period where a dwelling was not available for rent in an NRAS Year.

Unavailable periods would include instances such as:

- Property is damaged by a fire or storm and is not able to be rented whilst repairs are being completed.
- Property is damaged by a tenant and not available to rent whilst repairs are being completed.
- Major maintenance is required on the property and the property is therefore not available to rent for a period
- Owner decides not to make the property available for rent for a period.

Notifications you will receive

Quantum actively monitor the vacancy status of all NRAS dwellings in our custom-built database.

- Vacancies should be monitored by your NRAS Property Manager and strategies put in place to minimise any potential risk to the investors incentive.
- Following the expiry of the 91-day allowable vacancy period, your Property Manager should keep in regular email contact with you until your property is let.

Further Information

For further information regarding vacant periods under NRAS:

- Amendments to NRAS Regulations – Vacancy Periods: <https://www.dss.gov.au/housing-support/programs-services/housing/national-rental-affordability-scheme/nras-resources-documents-and-information/amendments-to-nras-regulations-vacancy-periods>
- NRAS Explanatory Guide: <https://www.dss.gov.au/housing-support/programmes-services/housing/national-rental-affordability-scheme/explanatory-guide-national-rental-affordability-scheme>
- Quantum Compliance Team – (08) 6169 1603 or enquiries@quantumhousing.com.au

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