



HomeGround
Real Estate Canberra

We manage
your property,
you make the
difference.

A social enterprise of  chc

The rental affordability challenge

HomeGround Real Estate Canberra provides a pathway for philanthropically-minded landlords to grow the supply of affordable rental homes.

The need has never been greater in Canberra, now the most expensive city in Australia in which to rent a house, and second most expensive in which to rent a unit¹.

This has left half of lower income households in the private rental market in a state of housing stress.

With market rents having risen by almost 4% and 8% respectively for houses and units through 2018², the rental affordability challenge is only growing.

Households and families are increasingly being priced out of the private rental market, with limited or no options. This is particularly the case for households comprising, for example: nurses, social workers, people with a disability, people escaping domestic violence and older single women.

Why Choose HomeGround Real Estate Canberra?

We are seeking landlords who have the capacity and desire to make a real difference to the lives of one or more Canberran households.

We operate like any other real estate property management agency, and offer a personalised and tailored service, at highly competitive fees.

What makes us unique is that we are the only licenced real estate agency in Canberra through which landlords can access additional tax incentives in return for supporting rental affordability.

How do the tax incentives work?

Land tax exemption¹

If your property is being offered for rent at a rate that is a discount to market rent of more than 25%, and the tenant meets income eligibility requirements, you may fit the ACT Government's criteria for a full land tax exemption.

ATO tax ruling²

We have an ATO class ruling that may allow us to provide you with a tax deductible donation receipt for rent foregone by offering your property at below market rent. This would enable you to reduce your assessable income.

The tax incentives mean that for a minimal impact to your hip-pocket, you can make a big difference.

1. Revenue Legislation Amendment Bill 2019 and Land Tax (Affordable Community Housing) Determination 2019

2. ATO Class Ruling CR2019/27

Three options to make a difference with HomeGround Real Estate Canberra

1

List your property at below market rate

Listing your property at discounted rent may greatly benefit a household on low to moderate income.

2

List your property at market rate

Simply by having your investment property managed by us enables us to create more affordable housing. We reinvest any profits from our property management fee back into growing supply of affordable rental housing.

3

Donate the use of your property

We manage properties for owners who don't require an income return, but want to assist a household or family on low to moderate income. We can manage these properties on a short, medium or long term basis.

No matter which option suits you, the choice of tenant is always yours.

An example of how it can work for HomeGround landlords...

Land tax exemption benefit

- Rent foregone = $\$560 - \$419.99 = \$140/\text{wk}$
- Land tax exemption benefit = $\$100/\text{wk}$
- **Before-tax cash flow impact for landlord = $\$140 - \$100 = \$40/\text{wk}$**



ATO charitable donation benefit

- Landlord receives tax deductible donation receipt at end of year for 52 weeks x $\$140/\text{wk} = \$7,280$
- **Assessable income reduced by $\$7,280$**



After-tax cash flow impact for landlord = $\$25/\text{wk}$

Landlord saves eligible lower-income Canberra household $\$140/\text{wk}$

Assumptions:

- Criteria for a land tax exemption and ATO charitable donation benefit are met
- House with unimproved asset value of $\$510,000$
- Land tax liability of $\$100/\text{week}$
- Market rent of $\$560/\text{week}$, included as landlord's assessable income
- Affordable rent (< 75% of market rent) of $\$419.99/\text{week}$
- Landlord marginal tax rate of 37%

**Please contact your financial adviser or tax accountant for advice on how these incentives might apply to you and your financial situation.*

Contact us

If you would like to know more, or are interested in listing your property with us, please get in touch today.

-HODDGE

Business Development and Property Manager

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HomeGround
Real Estate Canberra

HomeGround Real Estate Canberra is a social enterprise of CHC, the largest not-for-profit registered community housing provider in the ACT.

CHC has developed, owned and professionally managed quality affordable housing for over 20 years.

CHC currently provides a home for over 1,300 Canberrans and aims to provide affordable homes for over 2,000 Canberrans by 2022.

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