

PREPARING FOR THE END OF NRAS



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NRAS ALLOCATIONS EXPIRING FROM THE NRAS

The NRAS commenced in 2008, providing an annual incentive to approved participants to provide affordable rental dwellings at least 20 percent below market rates. Dwellings began to exit the NRAS progressively from August 2018 through to June 2026.

Once the NRAS dwelling has expired, it will no longer attract a financial incentive but will remain active until the final incentive has been processed at the end of the NRAS year in which it expires.

Subject to meeting the usual NRAS compliance requirements, your final incentive payment will be a partial payment for the period from May 1 to the end date of your NRAS incentive. The claim for your incentive payment will be processed as normal at the end of the NRAS year with the other AAHS incentives, and you will be kept up to date of the progress through our normal regular email updates or via our Investor Portal.

Property Management Agreements

The Property Management Agreement, executed by AAHS on your behalf, with your allocated Property Manager will cease on the Incentive end date. Once your Incentive has expired:

- You will no longer receive the annual NRAS incentive tax offset and incentive payment after the final incentive has been processed
- You will no longer be required to charge discount to market rent
- Tenants will not be required to be "eligible" for NRAS
- You may appoint a Property Manager of your choice

In preparation, we suggest that you engage with your current Property Manager well in advance of the NRAS end date to discuss your options for the end of the NRAS Incentive. Based on your preference, this will ensure that they have ample opportunity to comply with the relevant residential tenancy regulations and provide relevant notice periods for the vacate of the tenant, provide you with plenty of time to negotiate a new property management agreement with your current property manager or a new manager of your choosing, or consider a sales strategy if you are intending to market the property for sale.

You should work with your Property Manager to ensure your plans are actioned and, if you intend to charge market rent at the end of the NRAS, the Property Manager should ensure the final lease within the NRAS period aligns with the end of the NRAS Incentive period. In accordance with NRAS Regulations, your Property Manager will notify your tenant/s of the end of the NRAS incentive period at least 90 days before the expiry date.

You should consult with your accountant or tax adviser to discuss the tax implications relating to the end of the NRAS Incentive for your investment property.