

ADF PROPERTY INVESTING ESSENTIALS

"ADF Housing Entitlements"
What they are
What you get
Tips on how and when to use them

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ADF HOUSING ENTITLEMENTS

- **HPAS**
Home Purchase Assistance Scheme
- **HPSEA**
Home Purchase or Sales Expenses Allowance
- **DHOAS**
Defence Home Ownership Scheme
- **LIA**
Live-in Accommodation
- **MQ/ RA**
Married Quarter / Rental Allowance

HPAS

Home Purchase Assistance Scheme

- **First home purchase while in the ADF, in your posted location (NOT eligible for land only purchase). Can be established property or land and build purchase**
- **Payable once only (do NOT pull the trigger on it too early!)**
- **Full-time service only**

If both you and your spouse are serving, only one can use it at a time (your spouse can use it on the next property)

- **12 months tenure remaining in posting on the day of contract signing.**
- **Benefit = \$16,949 before tax. If taxed at 33% you pocket \$11,356 net.**
- **If buying with a third party (i.e. not your spouse) then the HPAS payment will reflect the share of the ownership.**

HPSEA

Home Purchase or Sale Expense Allowance



Home Purchase or Sale Expense Allowance for Full-time service only.

- You are entitled to be **refunded all reasonable expenses** incurred in the sale of your own property, and the purchase of a new property, if you are moved for service reasons.
- HPSEA applies for all subsequent properties
- Includes **agents commissions and stamp duty** (\$\$\$ add up)
- Multiple use: Must maintain the **'buy-sell-buy-sell'** sequence to keep receiving the allowance.

DHOAS

Defence Home Owner Assistance Scheme

- To be eligible, you must have completed a **minimum qualifying period** of effective service and accrued a service credit

- You must pay **principle and interest (P&I)** off the loan (take this into consideration when doing cashflow)

Recent Changes in 2023

- The 5 year deadline for separated ADF veterans to apply for their final subsidy certificate has been removed.
- The minimum thresholds for each DHOAS subsidy tiers have been reduced.

DHOAS Home Loan Providers



The Average House Price (AHP) is used to determine the subsidised loan limits under the three tiers

DHOAS

Defence Home Owner Assistance Scheme - continued

- Each tier's subsidised loan limit represents a percentage of the AHP*, as shown here:
- Tier 1, is 40% of the AHP
- Tier 2, is 60% of the AHP
- Tier 3, is 80% of the AHP – this is where you get maximum benefit!

*AHP - Average House Price

Subsidy Tier	Min. Permanent Service	Min. Reserve Service	Subsidised loan amount	Maximum monthly subsidy*
1	2 years	4 years	\$402,159	Up to \$481
2	4 years	8 years	\$603,238	Up to \$722
3	8 years	12 years	\$804,318	Up to \$963

*Estimated monthly subsidy values based on the February 2023 median interest rate. These monthly subsidy values fluctuate based on changes in the median interest rate.

*As at 1 July 2021, the AHP is \$1,005,397
This figure is used to determine the
2022-23 subsidy tier values.*

DHOAS

Defence Home Owner Assistance Scheme - Lump Sum Option

- Can receive a lump sum payment!!
- Formula: years of military service - 2 years qualifying period = time convert to a lump sum (up to 4 years)
- Subsidy is at **Tier 1 level only** (even if you're entitled to Tier 2 or 3)
- \$481 per month x 4 years [48 months] = \$20,088

State FHOG + HPAS + DHOAS Lump Sum = \$52,037 (depending on State)

NOTE: Lump sum is NOT paid prior to settlement

NOTE: It is a condition of receiving a lump sum that you must not have previously owned a home, either to live in or for an investment, whilst in the ADF.

DHOAS

Defence Home Owner Assistance Scheme - continued

- Discharge before 20 years, you revert to Tier 1

*Must do 20
years to retain Tier 3 after
discharge.*

- 20 year value of DHOAS subsidy at today's rates:

- Tier 1: \$115,440 over 20 years

- Tier 2: \$173,280 over 20 years

- Tier 3: \$231,120 over 20 years

- Indexed with the increase in AHP

**Gets better with age..... So, timing
is crucial!!!**

ADF Housing Entitlements

So now What? Would you like to:

- Discover what options you may currently have available to you?
- Discuss your current situation?
- Have all your questions answered about your Entitlements?

**To book a cost & obligation free
Discovery Phone Call with Nic**

CLICK HERE

**And select your preferred date
& time to book!**

