

Core Components of the NRAS Scheme and Consortium Model:

- a) Commonwealth/State Tax Free Incentive of \$8,000 per year per dwelling for 10 years for new dwellings approved under NRAS (indexed to rental component of CPI annually)
- b) 10 year Headlease with the Consortium offering a single point of contact for compliance, property management and payments. No legal or other fees are attached to the use of the Consortiums Headlease
- c) Rent and NRAS incentive indexed annually to the rental component of Consumer Price Index
- d) Discounted rent of 75% market value to tenants. Eligible tenants on income limits up to \$39,000 for singles, \$55,000 for couples and \$82,000 for families.
- e) Owners benefit from the Consortiums '**Secured Income Stream**' through a unique mix of Group Insurance; QAHC Self Insurance and risk management through approved not-for-profit housing managers
- f) Whilst the NRAS tax-free benefit is central to commercial viability and the 10 year Headlease provides improved certainty, applicants should note that fees and charges apply for the Consortium and for housing management services, these are:-
 - i. NRAS Lodgement fee of \$125 +gst per dwelling. [Fees per dwelling are reduced on a sliding scale for projects over 100 dwellings and may be capped for larger projects]
 - ii. Ongoing compliance & administration fee for the Consortium of \$12+gst per week per dwelling
 - iii. A Property Management fee of 10% [gst inclusive] of market rent. [Please see 'market comparison chart' to gauge value for money on the range of additional services that are provided fully inclusive within this fee].
 - iv. Body Corporate arrangements, that avoid duplication of costs and activities, can be accommodated through the Consortium and will be negotiated site by site

I authorise QAHC to begin the process of application for NRAS funding and to forward to me/us the required documentation for submission to the Commonwealth Government.

Next Steps:

- a) The Consortium will forward to you the following:-
 - i. Consortium Membership Form
 - ii. Information Pack
 - iii. NRAS Spreadsheet to demonstrate financial feasibilities and cashflow over the 10 Years
 - iv. If you choose to proceed to lodgement, the Consortium will issue you with the lodgement invoice
- b) The Consortium's property consultants will work closely with you to ensure your application for NRAS is presented to a high standard and is supported by good documentation.
- c) Subject to Government approval of the proposed dwellings, the Consortium will provide the following
 - i. Heads of Agreement to cover the period between approval and the properties becoming Ready to Let
 - ii. 10 year Headlease for the dwelling[s] once property is Ready to Let

- iii. A tri-partite Property Management Agreement between the owner, consortium and property manager
- iv. Full detailed documentation of payment, management and administrative arrangements

I/we acknowledge that this Expression of Interest represents an intention on my/our part for me/us to make available the Land/Dwellings set out above to QAHC subject to approval of NRAS funding by the Government.

I/we acknowledge that this Expression of Interest is drawn up consistent with NRAS requirements for a non-entity joint venture arrangement in order to facilitate the payment of the NRAS refundable tax offset to the owner.

This document does not constitute any warranty for any costs incurred or actions undertaken by the applicant or any third party in relation to this submission, nor can QAHC provide any guarantee or warranty concerning the success or otherwise of this submission under the proposed National Rental Affordability Scheme.

I/we acknowledge that I/we may withdraw this expression of interest by written notice at any time prior to the Heads of Agreement document being signed by me/us.

DATED THE _____ day of _____ 2009.

Landowner

Or _____
Authorised agent of Landowner