

Specialist Disability Accommodation Market Information Statement – August 2021

Introduction

The NDIA is committed to providing the specialist disability accommodation (SDA) market with the information it needs to foster continued growth for a thriving market that delivers quality, innovative SDA for participants and important national infrastructure.

Funding for SDA housing is provided to NDIS participants who meet specific eligibility criteria. SDA funding is not for support and care services, but is instead for the homes in which these services are delivered.

Well-designed accommodation in the right location can allow for more independent living arrangements, increased community connection and access to informal supports. For those participants who are eligible for SDA, it is important that suitable properties are available in local communities across the country.

The NDIA is responsible for the stewardship of a market of NDIS providers who deliver SDA to eligible participants. Over recent years, the NDIA has implemented a number of initiatives to support growth, innovation and sustainability in the SDA market, including:

- SDA Design Standards
- SDA Limited Cost Assumption review and following changes to the SDA Rules in March 2020
- full responsibility for enrolling SDA dwellings
- introducing the SDA Finder, an interactive tool available on the NDIS website to help participants find suitable SDA vacancies across Australia.

These initiatives have helped drive growth in the SDA market.

The NDIA will continue to develop the release of information and analysis to the market on key features of expected SDA supply and demand and on NDIA initiatives aimed at improving the SDA process. This information will be provided through a quarterly SDA report commencing in quarter 1 of the 2021-22 financial year.

The NDIA will continue to engage with stakeholders through the SDA Reference Group to gather feedback on the market information being released and ways in which these can be further enhanced for the benefit of the market.

Supply of single-participant apartments

The NDIA welcomes the significant growth in new SDA builds to meet the needs of NDIS participants eligible for SDA and anticipates further investment and building activity will be needed. However, the breadth of demand in the market, particularly across building types and categories, must be a key consideration for providers and investors.

NDIA current data indicates the emergence of a potential supply imbalance between single-resident apartments in a number of locations compared with all other building types, particularly in relation to the High Physical Support category. This correlates with heightened vacancies in single-resident apartments which is currently being signalled by the market. Supply data published for the first quarter (till 31 March 2021) is available in tables P.13, P.14, P.15 and P.16 of [SDA Enrolled dwellings and NDIS demand data \(XLSX 435KB\)](#). Pipeline data for the same quarter is available in P.21.

As announced in 2019, from 1 July 2021 new build SDA properties must have a report from an accredited SDA assessor in order to be enrolled as a SDA dwelling. In addition to this, new builds can be pre-certified at the design stage to improve the confidence of developers and investors that upon completion, the dwelling will be enrolled as SDA.

Buildings underway prior to the mandatory requirements of the SDA design process from 1 July 2021 were able to apply for an exemption to be enrolled under the minimum guidelines. These exemptions are no longer available. The exemption process enabled the capture of existing pipeline supply, the majority of which are single bedroom high physical support apartments.

The NDIA will be capturing more pipeline data from this assessment process. This pipeline data will be included in the NDIS Quarterly Reports.

There will continue to be a need for innovative single-resident dwellings, however the rate at which High Physical Support single-resident dwellings are being enrolled compared to other dwelling types does not align to the likely approved demand profile anticipated by the NDIA.

While it is a matter for each provider or investor to manage their risk position, the NDIA notes further investment at current rates in single resident High Physical Support dwellings will likely carry a greater risk of vacancies.

The NDIA has developed an online SDA Finder tool which will be launched in August 2021. This will give SDA providers a convenient tool to meet their existing obligations under the SDA Rules to provide the NDIA with information on their vacancies.

The SDA Finder will allow for better visibility of existing SDA supply and improved pathways for eligible participants to connect with SDA providers.

SDA demand and participant eligibility

The NDIA understands that accurate demand data on participants looking for SDA is important for decision making in the market. Since October 2020 data on the number of participants with SDA included in their plan has been published at the SA3 level in the NDIS Quarterly Report as well as being available on the NDIS data.ndis.gov.au webpages. A downloadable function allows further interrogation of this known demand data.

In late 2020 the NDIA began the process to combine decision making for SDA funding with the process for determining the amount of care participants need to live in their home (supported independent living). This combined decision making will provide for a more comprehensive understanding about what is reasonable and necessary for a particular participant with regards to their home and living needs.

SDA providers often assist participants in identifying and understanding what housing options may be available to them under the NDIS should they be assessed as eligible for SDA. This process assists with the timely identification of good matches between properties and participants, however it is important for participants to have their SDA eligibility determined by the NDIA before they are given a final offer for an SDA tenancy as the type of dwelling sought by the tenant may not align with the reasonable and necessary support package approved by the NDIA.

In an effort to speed up the eligibility process, NDIA participants can now submit a [home and living supports request form](#) to apply for a home and living assessment without having to wait for a meeting with a planner.

Future estimates of Scheme costs are outlined in the [Interim Update to the Annual Financial Sustainability Report Summary](#) which was released on 3 July 2021. This report includes estimates of the number of participants in supported independent living (SIL) – it is estimated that the growth in the number of participants in SIL will increase from approximately 26,000 to 35,000 over the next 4 years. Not all participants in SIL arrangements will require SDA, as other support types such as home modifications and independent living options meet participant need (as is the case now). Nonetheless, the projections do indicate increasing demand.

Definitive and granular data on demand by location and type is not yet available, however the Agency is currently undertaking analysis on particular likely demand cohorts such as young people living in residential aged care and participants who are still living in housing transitioned from state and territory governments. This analysis will be made public as soon as it is available and should be useful to guide investment decisions.

Independent and third-party market research or reporting

The NDIA welcomes independent and third-party market research on SDA and on SIL, particularly around models that deliver efficient service delivery (including supports shared by a number of participants) and positive participant outcomes. Research and information is valuable not only to the SDA market, but also to the NDIA and governments, in assessing the impact of policies and the effectiveness of the Scheme.

The NDIA takes a collaborative approach to research and publications, and is keen to work with partners and stakeholders to contribute, respond or offer insights.

Please email provider.support@ndis.gov.au to discuss market information statements, market research, or market issues of concern.