

Property Management Fee Comparison Report Summary

Detached houses
January 2025



After taking into account all comparable costs, the DHA service fee provides savings compared to leasing through a traditional real estate agent.

Defence Housing Australia (DHA) provides housing and related services to Australian Defence Force members and their families in support of the operational, recruitment and retention goals of the Department of Defence. To meet Defence housing obligations, DHA implements various programs to secure leased properties direct from private landlords to house Defence members and their families.

This document prepared by DHA provides a summary of a comprehensive report provided by Oxford Economics Australia, which compares the costs¹ of leasing a property to DHA to managing a detached house through a traditional real estate agent's management agreement.

Differences between DHA's service fee and Real Estate Agent fees

As part of its lease agreement edition 7, DHA manages leased properties under the terms of the Property Care Contract. The service fee for managing a detached house is 16.5% (inc. GST)² of the gross rent. While this appears high in relation to quoted real estate agent management fees, in the range of 6.1% to 10.3% (inc. GST), DHA's service fee includes a number of costs that would otherwise be borne by a landlord under the terms of the Property Care Contract.

Under a traditional real estate agent management agreement, there are many fees, charges, and costs in addition to the percentage charged to manage an investment property. The landlord is responsible for any necessary repairs of the property in order to achieve market rent. The landlord also bears the cost of foregone rent if the property is vacant for a period of time, the cost of re-letting and finding a new tenant, and the hassle of approving and dealing with issues as they arise. DHA allows for most of these costs, including most non-structural repairs, in its lease agreement and Property Care Contract³.

Service fee inclusions - Real Estate Agent vs. DHA

Service fee inclusions	Real Estate Agent	 DHA
Coordinating repairs	✓	✓
Liaising with tenants	✓	✓
Managing some payments (such as rent and water usage reimbursement)	✓	✓
Letting fees		✓
Maintaining grounds if vacant ⁴		✓
Most non-structural repairs		✓
Lease-end repair and clean		✓
Annual rental reviews (by independent valuer)		✓

¹ The comparison presented in this summary report is reflective of the DHA lease agreement edition 7.

² DHA charge 13.0% (inc GST) for properties where a body corporate is responsible for most of the common areas.

³ A comprehensive description of inclusions and exclusions can be found in the Property Care Contract. For more information, please visit dha.gov.au/investing/property-care.

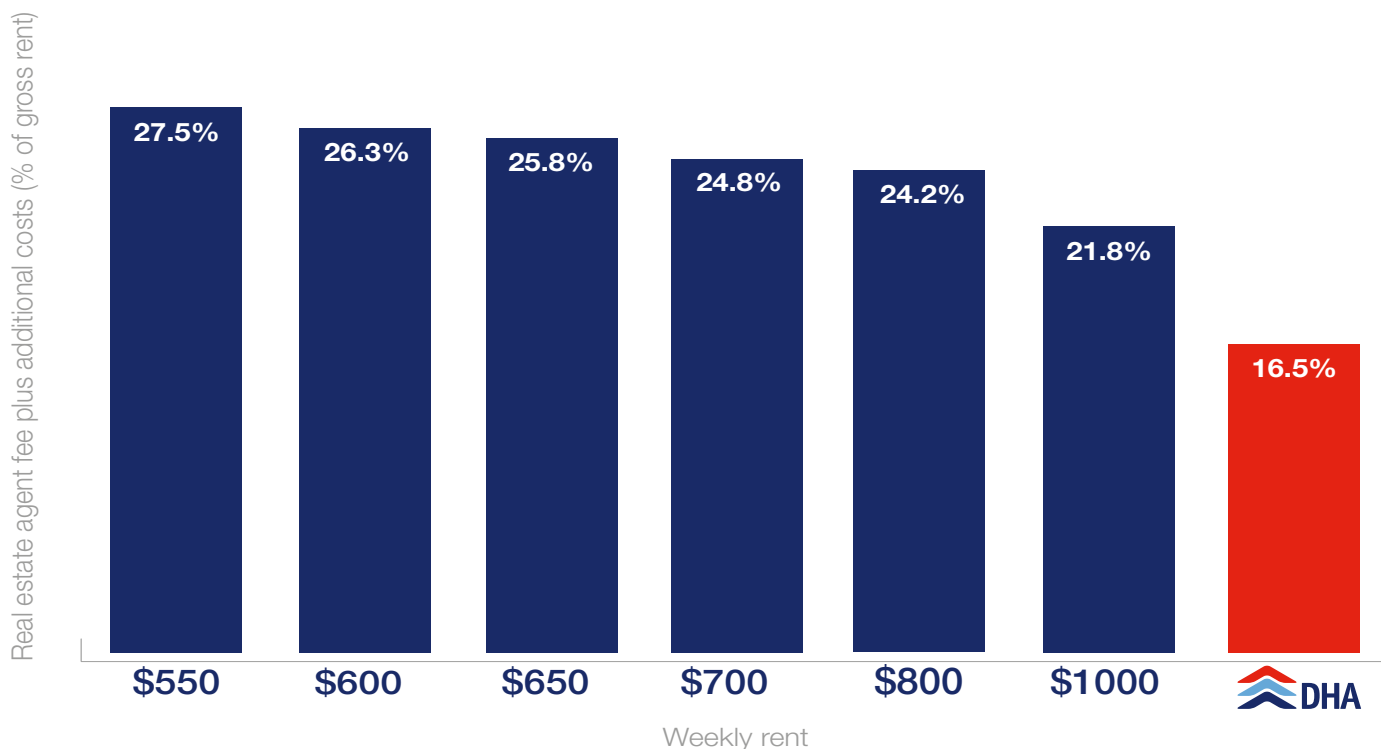
⁴ Except if the property is uninhabitable.

Comparing DHA’s service fee to Real Estate Agent fees

Analysis conducted by Oxford Economics Australia calculated the total costs that can be incurred with a traditional real estate agent’s management agreement to match the benefits of a DHA leased property. This allows a direct comparison of the costs associated with the two management types. The analysis considers six scenarios for rent achievable as well as a low, medium, and high cost scenario to allow for possible variations in costs. The medium scenario is around the mid-point of the range of costs identified and is considered the most likely scenario.

With the inclusions of the Property Care Contract, the cost of managing a comparable detached house investment property per annum is typically lower under DHA’s service fee than a traditional real estate agent’s fee. This is the case at six rent levels; \$550, \$600, \$650, \$700, \$800 and \$1,000 per week under the medium and high cost scenarios (expressed as a percentage of gross rent). Only under the highest rent rate in the low cost scenario were DHA costs higher than a traditional real estate management agreement.

Comparison of the percentage of gross rent to deliver the benefits of DHA’s Property Care Contract for detached houses (most likely scenario)



Note: includes GST where applicable

Source: Oxford Economics Australia, Property Management Fee Comparison - Detached Houses, 2025

The table on the following page highlights the total costs that can be incurred with a traditional real estate agent’s management agreement to match the benefits of a DHA leased property. This allows a direct comparison of the costs associated with the two management types.

Please note that end of lease restoration services are excluded from calculations presented. If required, DHA, at its discretion, may re-carpet and re-paint the interior of the premises at its cost during the term of the lease if the premises is in a state of disrepair that was not caused by fair wear and tear.

Real estate agent vs. DHA service fee costs for detached houses (per annum)

Low scenario		Weekly Rent					
		\$550	\$600	\$650	\$700	\$800	\$1,000
Real estate agent	\$ total cost	\$5,569	\$5,805	\$6,197	\$6,432	\$7,223	\$8,166
	% of gross rent	19.4%	18.5%	18.3%	17.6%	17.3%	15.7%
DHA service fee	\$ total cost	\$4,735	\$5,166	\$5,596	\$6,027	\$6,888	\$8,610
Net gain of DHA lease (\$ p.a.)		\$834	\$639	\$600	\$406	\$335	\$-443
Medium (most likely) scenario							
Real estate agent	\$ total cost	\$7,899	\$8,222	\$8,737	\$9,060	\$10,100	\$11,391
	% of gross rent	27.5%	26.3%	25.8%	24.8%	24.2%	21.8%
DHA service fee	\$ total cost	\$4,735	\$5,166	\$5,596	\$6,027	\$6,888	\$8,610
Net gain of DHA lease (\$ p.a.)		\$3,164	\$3,056	\$3,141	\$3,033	\$3,213	\$2,781
High scenario							
Real estate agent	\$ total cost	\$10,110	\$10,513	\$11,147	\$11,551	\$12,829	\$14,442
	% of gross rent	35.2%	33.6%	32.9%	31.6%	30.7%	27.7%
DHA service fee	\$ total cost	\$4,735	\$5,166	\$5,596	\$6,027	\$6,888	\$8,610
Net gain of DHA lease (\$ p.a.)		\$5,374	\$5,347	\$5,551	\$5,524	\$5,941	\$5,833

Note: includes GST where applicable

Source: Oxford Economics Australia, Property Management Fee Comparison - Detached Houses, 2025

The DHA service fee also compares well with the costs associated with alternative investment vehicles, such as managed funds. Managed fund fees are expressed as a percentage of member balance (akin to total assets under management), not as a percentage of gross revenue, which would be more comparable to the way management fees are expressed by a traditional real estate agent and DHA.

When expressed as a percentage of the estimated average value of assets under management, DHA's service fee (0.76%) is lower in general when compared to traditional real estate leases on houses (1.19%), retail superannuation funds (0.96%), and industry superannuation funds (0.98%).

In conclusion, after taking into account all the comparable costs of managing an investment property to the same standard, in most scenarios the DHA service fee of 16.5% provides savings over total costs borne by the landlord using a traditional real estate agent management agreement⁵.

For more information:

Visit dha.gov.au/investing

Call 133 342

⁵ The information contained in this Report is of a general nature and does not take into account your objectives, financial situation or needs. It should not be relied on as advice, nor take the place of professional advice. Before making any decision in relation to DHA or any particular financial investment strategy, you should consider your own financial position, objectives and requirements.