

Melbourne Investors Struggle as Disability Homes Sit Empty

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In new housing estates on Melbourne's western fringe, rows of brick homes stand ready but unoccupied. Built with step-free entrances, wide doorways, and accessible bathrooms, these houses were designed under the Specialist Disability Accommodation (SDA) scheme to provide homes for Australians with profound disabilities. Yet hundreds remain vacant nationwide, leaving both participants and investors caught in a costly policy gap.

The federal government launched SDA in 2016 as part of the National Disability Insurance Scheme (NDIS). The program aimed to move people with high support needs out of group homes and aged care facilities into smaller, purpose-built residences. Investors were encouraged to fund construction in exchange for generous rental payments from the government up to \$110,000 per year for each eligible tenant.

For many, the proposal seemed sound. Tony Wilson and his wife, from New South Wales' Central Coast, invested nearly \$2 million to build two disability homes, one in Perth and another on Melbourne's outskirts. They were promised strong returns and assured demand. More than a year later, both houses remain empty.

"We thought it was a good investment, an ethical investment helping someone in need," Wilson said. Instead, the couple is struggling with debt. Having borrowed against their family home and tapped their retirement savings, they now face missed meals, skipped medication, and mounting mortgage stress.

Their story is not unique. Across Australia, Four Corners found entire streets with multiple empty disability homes. In some Melbourne suburbs, more than ten stand vacant within walking distance of one another.

The SDA Alliance, which represents almost half of the market, estimates more than 1,000 properties sit unused around 15 percent of all disability housing built. At the same time, government data shows more than 800 additional homes under construction in Melbourne's west, where oversupply is already evident.

Industry experts point to a lack of transparency from the National Disability Insurance Agency (NDIA), which oversees the scheme. Without clear data on where participants want to live, investors often built in cheaper outer suburbs. Property advisor Goro Gupta warned that such locations lack basic services. "It's not close to shops, not close to allied health. People with disabilities need daily support. Instead, these houses are surrounded by paddocks," he said.

The mismatch has left both investors and participants frustrated. Families face financial ruin after borrowing heavily to build, while people with disabilities continue to wait for suitable housing in central, well-serviced areas. For those like Bruce Camplin, however, the scheme has worked as intended. He now lives in an SDA apartment in the heart of the Gold Coast,

with easy access to community life and healthcare an outcome advocates say should be the standard, not the exception.

The government intended SDA to blend private investment with social purpose, but the current oversupply highlights flaws in planning and oversight. Without better coordination between policymakers, providers, and participants, homes will continue to sit empty while both investors and people with disabilities bear the cost.