

## C 1.7 Rent Policy and Procedure

### 1. Purpose

1.1 To outline the policy for rent setting for all social housing tenants.

### 2. Scope

2.1 Applies to all staff

2.2 Applies to co-operatives

2.3 Applies to all social and affordable housing tenancies

### 3. Exceptions

NA

### 4. Definitions

4.1 **Landlord** – The person who grants the right to occupy residential premises under a residential tenancy agreement.

4.2 **Co-op** – Governance structure where residents become 'members' of the co-operative and play and active part in running the organisation.

4.3 **Tenant** – The person who has the right to occupy residential premises under a Residential Tenancy Agreement.

4.4 **Market Rent** the amount of rent that can be expected for the use of a property, in comparison with similar properties in the same area

4.5 **Rebated Rent** – Rent is charged in accordance with the Community Housing Rent Policy. Tenants are eligible to apply for a rent rebate and the rebate (the difference between 25% of their income and the market rent) is deducted from the market rent to calculate the rent contribution payable (i.e. rebated rent); Social housing tenants will not be charged more than 25% of the assessable income.

### 5. Responsibilities

5.1 **Operations Manager** is responsible for providing resources and having oversight of the process.

5.2 **Managers** are responsible for ensuring staff are appropriately trained and competent,

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monitoring performance and adherence to policy and legislation.

**5.3 Staff and Cooperative Boards** are responsible for adherence to the policy and relevant tenancy legislation.

### 6. Content

**6.1** As a registered Community Housing Provider, CENSW is required to set rent for all social housing properties as per the Community Housing Rent Policy.

**6.2** CENSW/Co-ops can set the rent for properties under the Affordable Housing program at no higher than 80% of Market rent.

**6.3** In setting rents and other related tenancy charges the CENSW/Co-ops will comply with all legislative and legal obligations and requirements.

**6.4** CENSW/Co-op as the Landlord will:

**6.4.1** Provide clear information about how rents are set and reviewed.

**6.4.2** Make sure that tenant receives written notice of rent reviews and market rent reviews in accordance with the Residential Tenancies Act 2010 and the Community Housing Rent Policy.

**6.5** The Community Housing Rent Policy specifies what is included in assessable income. In summary assessable income includes:

- Income from statutory payments
- Wages or casual earnings
- Self-employment
- Any assessable supplement payment
- Any household member not eligible for a payment or who is eligible for a statutory payment will be charged rent based on the statutory allowance amount.

In a simple form, rents are calculated as follows:

**Rent Payable by a Tenant = (Percentage of household income and assets) +  
100% Commonwealth Rent Assistance.**

**6.6** Tenants can appeal decisions about market rent setting, and their entitlement to a rent rebate by using CENSW/Co-ops internal Appeals Policy as a first-tier appeal. Once the



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internal appeal is exhausted, the tenant is entitled to request a second- tier appeal through the independent Housing Appeals Committee.

**7. References**

- 7.1 Residential Tenancy Act 2010
- 7.2 Community Housing Rent Policy
- 7.3 Community Housing Agreement – Lease
- 7.4 Company Co-operative Agreement - CCA
- 7.5 Housing Appeals Committee

**8. Associated Documents**

- 8.1 Appeals Policy

**9. Forms**

- 9.1 Advice about Rebated Rent Letter
- 9.2 Changes in Rebated Rent Letter
- 9.3 Eligibility for Rebated Rent Letter
- 9.4 Appeals Form

**10. Procedure**

**10.1 Setting the market rent for a property**

Procedure Title	Setting the market rent for a property
Purpose	The Community Housing Rent Policy provides guidelines about how to set market rent for a property owned or leased by the Company and/or Co-op
1. What is the market rent and how is it assessed?	a. The amount of market is set on the basis of the most current Rental Bond Board data for capital properties for any particular, local (postcode) area as set out in Rent and Sales reports

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	<p>published on Housing NSW website: <a href="http://www.facs.nsw.gov.au">www.facs.nsw.gov.au</a></p> <p>b. Where the actual market rent in a location differs markedly and is lower than the market rent established by the Rent and Sales Report data and where tenants paying market rent would be adversely affected.</p> <ul style="list-style-type: none"> <li>• community housing providers can vary the market rent to take local conditions into account.</li> <li>• In varying market rents housing providers <u>must</u> have appropriate documented evidence to support their decision. This should include an <u>independent</u> evaluation for the property compared to one in similar condition and location.</li> <li>• For example; engage a real estate agent from the area, who can conduct a comparison of market rents and provide an independent evaluation for the property, compared to one in similar condition and location</li> </ul>
<p>2. The market rent in the tenancy agreement?</p>	<p>a. All Residential Tenancy Agreements signed by CENSW or the Co-op (as the Landlord) must show the market rent of the property.</p> <p>b. Market Rent is the maximum rent the tenant will be expected to pay.</p>
<p>3. How we record market rents:</p>	<p>The method for setting the market rent level, and the date of review, will be recorded on the property file.</p>
<p>4. Review</p>	<p>CENSW/Co-op (as the Landlord) will review market rents annually, before the tenant's rent review and will provide 60 days' (note allow further 4 days for postal deliver) notice of any</p>

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	changes in the market rent as required by the Residential Tenancies Act 2010.
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**10.2 Calculating Rebated Rent**

<b>Procedure Title</b>	<b>Calculating Rebated Rent</b>
Purpose	Set rents accurately and in accordance with the Community Housing Rent Policy
1. Request of income	<ul style="list-style-type: none"> <li>a. Ask tenants to provide the details of their household gross income for each person in form of accepted proofs of income, like pay slips, Centrelink statements, and Tax returns. Check that the amounts given for Centrelink payments are the current levels and query any payments that are shown as less than the full entitlement.</li> </ul>
2. Check the information is accurate and complete	<ul style="list-style-type: none"> <li>a. Check if there is proof of income attached for every household member who has an income. Where an adult household member declares no income, they are to be assessed as receiving the minimum statutory entitlement as set by Centrelink, including CRA.</li> <li>b. Make sure the proof of income is provided is current (i.e. less than 6 weeks old)</li> <li>c. Make sure the income from employment is gross and not net, and the proof provided includes the employer’s seal and ABN details.</li> <li>d. If there are any gaps, ask for additional evidence that may include additional pay slips, tax returns and blank statements, so that payments can be validated and ask for a Statutory Declaration to be signed.</li> </ul>
3. Calculate the rebated rent using the Community Housing rent calculator. Co-ops are required to ask CENSW for the most	If there is an increase or decrease by 10% an audit checking process (by a second CENSW or Co-op Officer needs to be enacted to ensure accuracy).

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<p>recent version as it is updated bi-annually.</p>	
<p>4. Attach the proof of income to the calculation and summary sheets and forward to the tenant.</p>	<p>a. Provide the tenant with a letter stating new rebated rent, and the date it will be effective.                  b. Advise the tenant of how they can appeal if they are dissatisfied with the calculation of the rebated rent</p>
<p>5. Where a tenant is in receipt of a Centrelink benefit, prepare a letter about their entitlement to Rent Assistance.</p>	<p>a. If the tenant is in receipt of a Centrelink payment, the tenant may be eligible for Commonwealth Rent Assistance (CRA)                  Note: 100% of CRA goes to the housing provider                  b. Advise tenant to take the rent letter to Centrelink to adjust the rent assistance.</p>
<p>6. Update the tenant rent records.</p>	<p>a. Enter the new rebated rent amount and the date this new rent will be effective. For new tenants the rebated rent will be effective from the start date of the tenancy.                  b. For existing tenants, whose rebated rent has been reassessed, an increase in the rebated rent will be effective 14 days (Note: allow further 4 days for postal delivery) from the day the written notification is sent to tenants.</p>
<p>7. Change the rent for all tenants who have not provided information to market rent</p>	<p>If within 30 days from the day the income review was requested by the landlord, the tenant has not supplied income details:</p> <p><b>Failure to supply income details</b>                  Tenants who fail to supply details of household income by the due date will no longer be eligible for a rental subsidy and will be required to pay market rent.</p> <p>In such circumstances, the tenant will receive a final warning, in writing, and the warning will advise:</p> <ul style="list-style-type: none"> <li>• The rent will increase to the market rent value effective within 14 days.</li> <li>• Market rent will continue to be charged until proof of income and required details have been provided.</li> </ul>

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	<ul style="list-style-type: none"> <li>Should the ultimate provision of the required information result in the tenant being eligible for a rental subsidy, the landlord may backdate the rental subsidy on a case by case basis.</li> </ul>
<p>8. File the tenant’s proof of income and declaration with the attached calculation sheet in the tenant file.</p>	<p>Where the tenant has a valid reason for being unable to provide the required information within the period specified, the Landlord may consider such circumstances and provide extensions and/or backdate increases accordingly.</p>

Name, Designation and Signature of Approver	Corine Addison, Operations Manager
Contact/Responsible Delegation	Co-op Development Manager
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