

# Rent Policy

## 'Affordable' Housing

### (NRAS)

#### 1 PURPOSE and SCOPE

- 1.1 This policy is to provide guidelines for staff, Tenants and other stakeholders of Accessible Housing Association Inc. (AHA) on how the Association will assess rent for 'Affordable' Housing.

#### 2 DEFINITIONS

- 2.1 'Affordable' Housing - Housing developed through the National Rental Affordability Scheme for eligible low and moderate income households at a rental that is at least 20 per cent below the prevailing market rates.
- 2.2.1 Affordable housing is housing that is reasonably adequate in standard and location for a lower or middle-income household; and does not cost so much that such a household is unlikely to be able to meet other basic living costs on a sustainable basis.
- 2.2 Community Housing Customer Register (CHCR) - A list of people eligible for social housing provided by non-government housing providers and ranked according to their urgency of need.
- 2.3 Commonwealth Rent Assistance (CRA) - Financial assistance provided to people on low incomes in receipt of Centrelink Benefits to assist them to afford rent.
- 2.4 Low income - In South Australia is up to 80% of the gross annual median household income.
- 2.5 Moderate income - In South Australia is between 80 and 120% of the gross annual median income.
- 2.6 Preferred Growth Provider - Preferred Growth Providers are housing provider organisations assessed as high capacity and quality not-for-profit social housing providers, that are able to best maximise housing outcomes based on current and future funding opportunities.

#### 3 BACKGROUND

- 3.1 The National Rental Affordability Scheme (NRAS) is a long term commitment by the Australian Government in partnership with the states and territories, to invest in affordable rental housing.
- 3.2 The Scheme aims to address the shortage of affordable rental housing by offering financial incentives to the business sector and community organisations to build and rent dwellings to low and moderate income households at a rate that is at least 20 per cent below the prevailing market rates.
- 3.3 AHA is a Preferred Growth Provider (PGP), a Social property developer, Property Services manager, Social assets manager, and Social landlord and tenancy manager with a proven

track record of providing low cost affordable housing to low income and vulnerable people in the community.

- 3.4 AHA aspires to maximise housing outcomes for low to medium income vulnerable people whilst ensuring organisational viability.

## 4 POLICY

- 4.1 Tenancies will be managed consistent with the provisions of the Residential Tenancies Act 1995.
- 4.2 AHA will set a rent model that provides both revenue certainty for the Association and cost certainty for the household.
- 4.3 AHA will set rents on 'affordable' properties in accordance with the National Rental Affordability Scheme Regulations 2008 and Policy Guidelines.
- 4.4 The Association will apply maximum rent of 30% of gross non Commonwealth Rent Assistance (CRA) household income plus full (CRA) available to that household to a maximum of 74.9% of market rent.
- 4.4.1 The Association will exempt some income items in accordance with the Community Partnerships and Growth Rent Policy and Procedures
- 4.5 The Association will require two weeks rent in advance and a bond or Housing SA bond guarantee equivalent to four weeks or six weeks rent as determined by clause 61 (3) of the Residential Tenancies Act 1995 before a tenant can reside in the property.
- 4.5.1 In exceptional circumstances and in consultation with the Executive Director, the Association may use discretion in application of clause 4.5.
- 4.6 Rents will be reviewed annually against the household's income.
- 4.7 Rent will only be increased on an annual basis from the date of the first signed lease with a Household.
- 4.8 Rent will only be increased in line with the rental component of the CPI, December to December.
- 4.9 Households may appeal decisions with regard to rent calculations if they believe the decision has not been made in line with how the Association states it makes rent decisions.
- 4.9.1 The household can make this appeal under the Association's by-law 2 'Dispute Resolution and Appeals' by-law.
- 4.10 If a tenant vacates a property, any rent credit will be refunded to the tenant minus any outstanding debts to the Association.
- 4.10.1 If a tenant deceases while living in an AHA property, any rent credit will be refunded to the estate minus any outstanding debts to the Association.

## 5 PROCEDURE

- 5.1 Prior to tenancy, the Association requires all prospective household members or their legal representative/s to supply gross income details for all persons who receive an independent income (earned and non-earned) for rent assessment and eligibility for 'affordable' housing.

- 5.1.1 If a person is on wages, AHA requires:
  - six consecutive payslips, or
  - a payslip with year to date figures entered, or
  - an income tax assessment notice for the previous year, plus
  - any documentation of income received not captured in any of the above.
- 5.1.2 If a person is in receipt of Centrelink benefits, AHA requires:
  - Centrelink income statements no more than two weeks old.
- 5.1.3 Prospective households must complete an NRAS tenant consent form as part of the eligibility assessment (Shackleton properties exempt).
- 5.1.4 All prospective household members must meet the minimum age of 50 years of age to be eligible for AHA NRAS properties (Shackleton properties exempt).

5.1.4.1 The AHA Executive Director may use discretion in the application of 5.1.4.

- 5.2 Send the tenant/s or their legal representative/s a letter to advise of rent and bond due payable for tenancy to start.
  - 5.2.1 If the tenant is not financially discharged, the Association may use discretion in regard clause to 5.2.
- 5.3 Six weeks prior to the lease expiring, contact the tenant/s or their legal representative/s and request income details as per clause 5.1 for rent review and recalculate the rent for the new lease.
  - 5.3.1 Ensure the rent increase is only increased in line with the rental component of the CPI, December to December.
  - 5.3.2 Ensure rent is within parameters articulated in clause 4.7.
- 5.4 The Association will give at least 14 days prior notice of any rent increase.

## 6 DOCUMENTATION

- 6.1 AHA Policy Manual Section 6:2 - Allocations Policy
- 6.2 NRAS Tenant Consent Form

## 7 REFERENCES

- 7.1 Residential Tenancies Act 1995
- 7.2 National Rental Affordability Scheme Regulations 2008
- 7.3 National Rental Affordability Scheme Policy Guidelines
- 7.4 Department of Families and Communities Rent Framework for Not For Profit housing providers (Stimulus and New Product Housing) Version 1 2010