

# RENT SETTING

## Statement of Policy

This policy establishes the approach of Eastcoast Housing to setting rent and determining rental subsidies in its long-term rental housing programs.

## Scope

This policy applies to all long-term rental properties owned or managed by Eastcoast Housing under all relevant programs.

## Affordability

Eastcoast Housing sets rent/provides subsidised rent to fulfill its social mission and to ensure that its housing relieves households from rental stress.

Accordingly, Eastcoast Housing will:

- set rent/determine rental subsidies in accordance with established affordability benchmarks
- communicate clearly to applicants and renters as to how Eastcoast Housing sets and reviews rent/ determines rental subsidies
- respond appropriately to changes in household circumstances to prevent undue hardship, and
- comply with its contractual, legal and regulatory obligations relating to affordability of rent.

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## 1. Income eligibility and Asset eligibility

The income and asset eligibility limits for applicants are the same as those applied to public housing applicants.

## 2. Definitions

In this policy:

<b>Applicant</b>	Means an applicant for housing to Eastcoast Housing
<b>ATO Benchmark Rent</b>	Means the amount set by the Australian Taxation Office under the <a href="#">GST and non-commercial rules - benchmark market values for Long-term accommodation</a>
<b>Market Rent</b>	The DFFHS determined figure and provided to Eastcoast Housing annually
<b>Gross Household Income</b>	Means the total household income assessed in accordance with the [Income Assessment Guidelines]
<b>Maximum CRA</b>	The maximum amount of Commonwealth Rental Assistance to which the household is entitled
<b>Maximum Rent</b>	Means the maximum rental amount payable for a property determined for a property in accordance with this policy
<b>Property Rent</b>	Means the open market rent for a property determined by Eastcoast Housing in accordance with this policy or the ATO Benchmark Rent

## 3. What is rent?

The rent figure quoted by Eastcoast Housing can include an income related portion, a Commonwealth Rental Assistance and/or service charges such as water, gardening etc.

At residency commencement and at each rent review you will be provided with the breakdown of your rent and how it is calculated.

## 4. Approach to affordable rent

A renter's entitlement to rebated rent is based on the household's total assessable income. If the rent payable amount is calculated less than the property's market rent or property rent then the renter is eligible to receive a rental rebate.

Renters are charged the lower of:

- Household income based Rent;
- Maximum Rent which is 75% of Property Rent
- DFFHS advised Market Rent

NB: Maximum rent does not include outgoings recoverable from the tenant (ie rent arrears, maintenance costs associated with damages by the tenant, their friends, family and visitors).

## 5. Household-income based rent/rental subsidy

This is determined as:

- 30% of Gross Household Income plus
- 15% Family Payments plus
- Maximum CRA

Gross Household Income is determined in accordance with the [DFFHS Assessable Income guidelines](#).

### *5.1 Provision of information about household income*

Where there is a Household-income based rent/rental subsidy Renters and applicants are obliged to provide to Eastcoast Housing reasonable evidence that establishes their total household income when requested by Eastcoast Housing:

- before being offered a residency with Eastcoast Housing; and
- when Eastcoast Housing carries out a rent review/determines rental subsidies.

Eastcoast Housing may increase a renter's rent to Maximum Rent (75% of Property Rent) and refuse to provide a rental subsidy if the renter does not provide the information within the timeframe required.

If a renter subsequently provides information about household income information after a rent/rental subsidy review, changes will only take effect on and from the date the renter contacted Eastcoast Housing and provided details of the household income. Eastcoast Housing may agree to back-date changes in rent/rental subsidies in circumstances where Eastcoast Housing determines that the hardship provision of this policy applies.

## 6. Response to changes in household circumstances and hardship

If a renter contacts Eastcoast Housing and is facing hardship with paying rent, Eastcoast Housing may determine:

- to re-assess the renter's rent/rental subsidy based on this policy;

- to determine that a different approach to rent/rental subsidy should apply to that residency; or
- to back-date an adjustment to the rent payable by the renter/rental subsidy to which the renter is entitled in accordance with this policy.

Generally, such changes will only take effect on and from the date the renter contacted Eastcoast Housing and provided reasonable details of the change in the household circumstances. Eastcoast Housing may agree to back-date changes in rent payable in circumstances where Eastcoast Housing determines that the renter ought to be granted relief from hardship.

Eastcoast Housing determines hardship by looking at the overall circumstances of the household, including:

- any unforeseen change to household composition beyond the control of the renter;
- any material change in the health (physical or mental) of the renter or members of their household;
- any disability of the renter or members of their household that has impacted upon the renter's capacity to pay the rent;
- the impact of family violence on the renter or members of the household; and
- cultural considerations, including Aboriginal cultural considerations.

If a renter reports that household composition changes (ie. Someone moves out) the onus is on the renter to prove this through provision of new rent details of the party moving out or demonstrates the person no longer lives at the rented address. Rent will be reassessed on the remaining household members income.

## 7. Communication

Eastcoast Housing will provide clear information to renters on how their rent/rental subsidy has been determined and inform renters of their right to have their rental calculation reviewed.

## 8. How the policy can be changed

Eastcoast Housing may from time to time implement changes to this policy. The revised policy will apply to all residencies on and from the date of the change.

Eastcoast Housing will implement strategies to mitigate the effect of any changes of this policy on renters and households.

## 9. Procedures

Procedures established by Eastcoast Housing will include processes to ensure compliance with this policy, including:

- to set and review the affordable rent / rental subsidy
- on communication with applicants and renters about how Eastcoast Housing has determined their rent
- to identify the rental approach that applies to a particular vacancy, property or residency, and
- how renters may ask for a determination of rent/rental subsidy to be reviewed.

## 10. Legislation and standards

This policy implements the obligations of Eastcoast Housing under:

- Housing Act 1983 (Vic)
- Performance Standards for Registered Housing Agencies

## 11. Transparency and accessibility

This policy will be available on the Eastcoast Housing website [www.eha.org.au](http://www.eha.org.au)

It is important to notify us if you have a change in circumstances that may affect your rent. Please note that if you get a job and your income increases we will not increase your rent until the next rent review.

I HAVE RECEIVED A COPY OF THIS DOCUMENT BEFORE SIGNING THE LEASE TO RENT A PROPERTY WITH EASTCOAST HOUSING.

Signed \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_