



Connect Victoria Park Community Housing

Rent Setting Policy

CVP Policies	Rent Setting	Effective date:	June 2021
Approved By	CVP Board	Review date:	May 2023
Warning	This process is uncontrolled after printing		

Purpose

This policy explains how Connect Victoria Park Inc (CVP Inc) sets rent for its Community Housing units located in Victoria Park.

Scope

This policy applies to CVP Inc's bedsitter/studio and one-bedroom housing units.

Definitions

Applicant means a person applying for accommodation in CVP Inc housing units.

Assessable income is the continuous or regular income of all household members over the age of 16.

Asset is any property or item of value the tenant owns or has an interest in, including those held outside Australia.

Band A describes tenants and applicants whose assessable income is within the Public/Social Housing income limits. These limits are set out in the Housing Authority's Community Housing Income and Asset Limits Policy.

Band B describes tenants and applicants whose assessable income is within the Affordable Housing income limits. These limits are set out in the Housing Authority's Community Housing Income and Asset Limits Policy.

Commonwealth Rent Assistance (CRA) is a non-taxable supplement Centrelink pays to eligible people to help them pay their rent.

Community Housing describes rental housing that is affordable for people and households on low (Social Housing) to moderate (Affordable Housing) incomes. Usually owned and/or managed by providers like CVP Inc, Community Housing is different to Public Housing, which is managed by government.

Market Rate is the amount of rent that can be expected for the use of a property, in comparison with similar properties in the same area. CVP Inc uses independent data and a Comparative Market Analysis to determine Market Rate.

Maximum Rent is the maximum amount of rent CVP Inc will charge to a tenant and will not exceed 75% of Market Rate.

Property means a residential premise managed by CVP Inc.

Rent means the amount CVP Inc charges a tenant for the right to occupy one of its properties.

Tenant means a person who has signed a residential tenancy agreement granting them the right to occupy a CVP Inc property.

Our commitment

CVP Inc will apply this policy in an open, honest, and supportive way.

We will help applicants and tenants get income details from Centrelink and assist them in claiming CRA.

1. RENT SETTING

CVP Inc follows general guidelines for Affordable Housing rent as set by the Department of Communities' Community Housing Rent Setting Policy.

CVP Inc will determine rent based on an individual assessment of household income and assets, following these rules:

- Rent will not exceed 25% (Band A tenants) or 30% (Band B tenants) of a household's gross (before tax) income and 100% of Commonwealth Rent Assistance;
- Maximum Rent will not exceed 75% of current market rate for any property (Market Rate x 74.99% = Maximum Rent);
- Market Rate is determined by assessing median rental rates for comparable units via REIWA, a Comparative Market Analysis of available properties to allow adjustment for unit size and amenity, and comparison with Western Australia long-term accommodation benchmark values set by the ATO +/- 10%.
- Tenants who are eligible to apply for a Centrelink payment but choose not to will be deemed to be receiving the relevant Centrelink payment;
- Any utility charges are paid in addition to rent as outlined in the lease agreement.

Band A Income and Assets Eligibility Limits

To be eligible for Band A at CVP Inc, applicants and tenants must not own or be part-owner of property or land that constitutes a viable housing option.

Their cash **assets** cannot exceed limits as listed in the table below:

Household Type	Cash Asset Limit
Single	\$38,400
Couples	\$63,800
Seniors 60 years plus (singles or couples)	\$80,000
People with disabilities	\$100,000

Definition of a cash asset (Band A):

- Deposit in a bank, credit union, building society, savings/cheque account, cash, term deposit, shares;
- Managed investments such as loans, debentures, friendly society and insurance bonds, unlisted equity and property trusts.

Assets excluded from assessment:

- Car,
- Antique furniture,
- Stamp collection,
- Life insurance policies

Superannuation and annuities that are not assessable are not assessed, but any annual income, return and/or dividend received is included in the income assessment process. Where a lump sum superannuation payment is taken, it will be treated as a cash asset and any income derived will be assessed for eligibility and rent assessment purposes.

To be eligible for Band A at CVP Inc, applicants and tenants **income** must be derived solely from Australian government benefits **OR** be lower than \$23,475 *per annum* (single income) or \$37,038 *per annum* (dual income).

When an applicant or tenant is eligible for Band A, CVP Inc will calculate rent as **25% of the applicant's assessable income plus the sum of any CRA** for which household members are eligible.

Rent will not exceed 75% of current market rate.

Band B Income and Assets Eligibility Limits

To be eligible for Band B at CVP Inc, applicants and tenants must not own or be part-owner of property or land that constitutes a viable housing option.

Their cash **assets** cannot exceed limits as listed in the table below:

Household Type	Asset Limit
Single	\$332,000
Partnered (combined)	\$412,500
Couple but separated due to illness (combined)	\$412,500

Assessable assets (Band B) include:

- any cash or money in bank, building society or credit union accounts (including interest free accounts), interest bearing deposits, fixed deposits, bonds, debentures, shares, property trusts, friendly society bonds and managed investments
- any assets held in superannuation and rollover funds from Age Pension
- the value of any real estate, including holiday homes (this does not include principal home)
- the value of any businesses and farms, including goodwill (where goodwill is shown on the balance sheet)
- the surrender value of life insurance policies
- the value of gifts worth more than \$10,000 in a single year or more than \$30,000 in a five year period
- the value of any loans (including interest-free loans) made to family trusts, members of family, organisations
- the value of any motor vehicles
- the value of any boats and caravans not used as a home
- the value of household contents and personal effects
- the value of any collections kept for trading, investment or hobby purposes
- the value of entry contribution to a retirement village if it is less than the difference between the homeowners' and non-homeowners' assets limits
- some income stream products
- the attributed value of a private trust or private company if the tenant is a controller of that trust or company
- the value of a life interest created by the tenant or their partner, or upon the death of partner.

When a tenant's **income is above Band A's limits** (as described in this policy) but below \$51,398 per annum for an individual or \$71,061 per annum for a couple **and/or** their **assets fall within the Band B limits**, CVP Inc calculates rent as **30% of the applicant's assessable income plus the sum of any CRA** for which the household members are eligible.

Rent will not exceed 75% of current market rate.

Tenants and Applicants Exceeding Band B Income and/or Asset Limits

Tenants or applicants with income and/or assets exceeding the limits for Band B will generally not be eligible for community housing with CVP Inc. The Board of CVP Inc may make exceptions to this policy on compassionate grounds.

Rent Reviews

Tenants may ask for a rent review at any time. In the absence of any requests for review, CVP Inc will usually review rent annually, or earlier if assessable income changes.

Any changes to the rent amount will be undertaken in accordance with the Residential Tenancy Act (1987).

Tenants may request a rent account statement at any time.

Tenants' Responsibilities

Tenants must inform CVP Inc if their household income or assets change. This includes any change to the people who live in the property, as well as any change to the assessable income or assets of anyone who lives in the property.

Tenants must provide CVP Inc details of their income and assets when requested, so that CVP Inc can review their rent.

Under the Tenancy Agreement, tenants have a number of legal responsibilities, including to:

- pay rent and utilities charges due every fortnight, for the fortnight ahead;
- pay other charges, such as charges for any damage they have caused, when they receive an invoice for them.

Right of Appeal

Where a tenant considers that CVP Inc Management have not followed the Rent Setting policy, or a decision has been made on incorrect information, they may lodge an appeal in writing within fourteen (14) days.

Appeals will be reviewed by the Board of Connect Victoria Park Inc at the next scheduled meeting and the outcome advised in writing within seven (7) days of the meeting.