

Baptcare Affordable Housing Policy

Document Information

Date:	21 March 2023	
Document Author:	Peter Andrews	Rent POLICY
Document Owner:	Cliff Barclay	
Contact details:	cbarclay@baptcare.org.au	
Document type:	Policy	

Overview

Purpose

The purpose of this policy is to establish Baptcare Affordable Housing's (BAH) approach to determining and setting rent. This policy should be read in conjunction with the BAH Allocations Policy.

Who Does It Apply To?

This policy applies to all long-term rental properties owned and/or managed by BAH.

Definitions

- a) Affordability benchmarks – Rent affordability is often considered in terms of the rent charge as a proportion of total household income. In relation to low income renters, housing stress (and thus the affordability benchmark) is defined as the point where a household is required to pay more than 30% of income on rent.
- b) ATO long term accommodation tables – These tables define average rent charges for properties according to location (capital cities and regional areas) and the proximity to CBD. The figures are revised annually (<https://www.ato.gov.au/Business/Bus/GST-and-supplies-by-charities---benchmark-market-values/?page=5#transitionalbenchmarklongterm>)
- c) Market rent - The amount a rental provider might reasonably expect to receive, and a renter might reasonably expect to pay, for a tenancy. It needs to be similar to the rent charged for similar properties in similar areas. Market rent estimates can be derived from the ATO figures, or from figures developed in an independent rent review.
- d) Locally benchmarked market rent review – The figures for market rent derived through formal data gathering and analysis on comparable rents being charged in a defined geographic area.
- e) Priority Access - Applicants on the VHR who have been assessed as having a priority housing need. The Priority Access categories are:
 - Emergency management housing
 - Priority transfers
 - Homeless with support
 - Supported housing
 - Special housing needs
 - Special housing needs (aged 55 years and over)
- f) Public Housing - Housing owned and managed by DFFH
- g) Social Housing - Housing that is owned and managed by either DFFH or a community housing provider
- h) Social Housing List - Means the list of BAH's social housing set out in Schedule 2 of the Participation in the Victorian Housing Register: Registered Agency Agreement. This includes all agreed Targeted

Social Housing and Non-Targeted Social Housing but does not necessarily include all housing owned and/or managed by BAH

- i) Targeted social housing - The properties that are considered Targeted Social Housing under agreements between BAH and the Director of Housing Victorian Housing Register (VHR)
- j) Victorian Housing Register (VHR) - The statewide common application record for people seeking public housing and community housing

Policy

Overview

This policy defines the approach that BAH adopts to charging rent to renters of BAH Housing.

Principles

BAH sets rent to fulfil its social mission of providing housing solutions that bring hope and opportunity to the most disadvantaged and to ensure that its housing relieves households from rental stress. Accordingly, BAH will:

- Set rent in accordance with established affordability benchmarks
- Communicate clearly to applicants and renters as to how BAH sets and reviews rents
- Respond appropriately to changes in household circumstances to prevent undue hardship
- Comply with our contractual and regulatory requirements relating to the affordability of rent
- Set rent using either the annual ATO detailed long-term accommodation tables or a locally benchmarked market rent review if the ATO market rent does not reflect the value of the dwelling in question

A bond will be applied to all rental stock and may be for a figure up to the equivalent of four weeks at maximum rent.

All renters and applicants will be provided with clear information regarding which BAH program their rental property is managed under and how their rent is calculated, set and reviewed prior to an offer of housing being made.

Approach to rent setting

BAH manages two housing programs: Social Housing and Affordable Housing.

Social Housing rent is charged at 25-30% of household income plus 15% of Family Tax Benefit A & B and Child Support payments plus maximum Commonwealth Rent Assistance (CRA) that a renter is eligible to receive, providing this does not exceed 74.99% value of either the ATO market rent or locally benchmarked market rent.

Affordable Housing rent is charged at less than 74.99% of market rent providing this does not exceed 30% of assessable household income and if application can include 100% of Commonwealth Rent Assistance. When either of these two thresholds are passed, BAH will charge the lower amount.

Reviewing and Calculating Rent

BAH calculates and reviews rent in the following way:

- Prior to a new renter signing a Residential Rental Agreement
- Every 12 months by reviewing household income
- Whenever a renter or household's circumstances and/or income change
- May include additional property costs
- Household income is the combined income of everyone who lives with the renter
- Income is assessed for rent calculation as follows:

What is included in the assessment?	Assessment rate
-------------------------------------	-----------------

Family Tax Benefit A & B	15%
Child Support/maintenance	15%
Commonwealth Rent Assistance (CRA)	100%
Any other income received by household members aged 18 years and over, such as primary Centrelink payments, Centrelink supplement, wages, investment earnings etc.	25 to 30% of income This rate may vary depending on the type of property and funding program but will not exceed 30%
Any income received by people living in the household aged under 18 years	Nil

In line with BAH's rental review procedures, all rents will be reviewed in the month of the anniversary of tenancy or when the renter's income changes.

- Property market rent will be reassessed in July every year
- The property rent will be assessed based on the income review and changes to the market rent
- Renters will be given 60 days' notice of rent increase when this occurs. If a renter has provided income details, this will not affect the subsidised rent unless they are already paying market rent
- Rent subsidy will be reassessed every 12 months. BAH will review the income of all household members using Centrelink Income Confirmation Service or request new income details for all household members. If these are not provided within 14 days BAH will withdraw the subsidy and the renter will be required to pay 74.99% of market rent.

Renters have the right to ask BAH to review the way that rent has been determined and to provide a further explanation.

The market rent is the rent for a similar room or apartment in a similar building in a similar location that provides the same facilities, services and utilities. The market rent for a property is determined annually by a review of publicly available data on rent for comparable properties.

Changes to household income

- If a renter's household income or family circumstances change at any time, the renter must advise BAH and provide evidence of this change.
- If a renter's household income increases or decreases, the household income will be re-assessed, and the rent subsidy will be recalculated and made effective from the date the renter advised BAH of the change to income based on the documents provided.

Assistance for renters experiencing difficulties with rent

A renter may apply for consideration in relation to their rental situation based on hardship they are experiencing due to special circumstances.

An application based on special circumstances will be considered by BAH management with regard to 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
- the impact of family violence on the renter or members of the household
- cultural considerations, including Indigenous cultural considerations.

Rights and Responsibilities

Renters' rights and responsibilities are protected under the Residential Tenancies Act and other Acts of parliament.

It is important for renters to know and understand their rights and that along with rights come responsibilities. At the beginning of their rental, renters are given a series of documents including a 'Rights and Responsibilities' booklet. This booklet describes both the renter's and the rental provider's rights and responsibilities.

Information and support can also be obtained through Consumer Affairs Victoria and the Tenants Union of Victoria.

Consumer Affairs Victoria

1300 55 81 81

www.consumer.vic.gov.au

Tenants Union of Victoria

1800 068860

www.tenantsvic.org.au

Policy Review

This policy will be reviewed every two years or earlier if the legal, regulatory and contractual environment requires.

Related Documents

- BAH Allocations Policy
- BAH Hardship Policy
- Housing Act 1983 (Vic)
- Residential Tenancies Act 1997 (Vic)
- Residential Tenancies Regulations 2021 (Vic)
- Housing Registrar Performance Standards
- Legal agreements between BAH and the Director of Housing relating to the Victorian Housing Register and funding programs
- Charter of Human Rights and Responsibilities 2006 (Vic)
- ATO benchmark market value tables

Revisions and History

Next Review Date:	March 2024	
Revision History	Section	Commencing
Policy no. 8.1, v.1-5.2 v.5.3	Updates to Residential Tenancies Act	18/8/2022 21/3/2023

This policy will be available on the BAH website: www.baptcare.org.au/services/housing/affordable-housing

Document Control

Copies of this document and any subsequent version shall be distributed electronically.

Printed copies of this document are deemed uncontrolled.

Document file name:	BAH Rent Policy
Document file location:	[File location hyperlink address TBC]