

Purpose

This policy establishes rent setting approaches that are applied by SAHV. The approaches are in alignment with the Transitional Housing Management (THM) Program and the Community Housing program principles.

Within the THM program, tenants may be eligible for a Victorian Government subsidy known as a rental rebate, which can reduce their weekly out of pocket cost for social housing to 25 per cent of household income.

A subsidised rent is applied within SAHV's long-term programs, where rent is based on 25-30% of the household income, including Commonwealth Rent Assistance (CRA).

Scope

This policy applies to all THM and long-term rental properties owned or managed by SAHV under all relevant programs.

This policy does not apply to the following housing programs run by SAHV:

- properties managed by SAHV behalf of other property owners where the owner retains responsibility for determining rent; and
- temporary or crisis accommodation.

Policy

Approach to rental affordability – guiding principles

SAHV provides subsidised and rebated rent to fulfill its social mission and to ensure that its housing relieves households from rental stress.

Accordingly, SAHV will:

- determine rent setting in accordance with established affordability benchmarks set for Community Housing Providers (CHP's);
- communicate clearly to applicants and tenants as to how SAHV sets, reviews rent and 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.

THM: Rebated Rent

SAHV applies rebated rent within the THM programs. Tenants' rent is 25% of the household gross income and 15% Family Payments. Further information about Rebated Rent is available via [DHHS Rent setting and rebate operational guidelines](#).

	<h2>Rent Setting Policy</h2>	<p>Effective Date: April 2019</p>
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Long-Term Housing: Subsidised Rent

SAHV applies subsidised rent for long-term housing programs. Subsidised rent is based on 25-30% of the household income, plus any Commonwealth Rent Assistance paid to the tenant by Centrelink should they be eligible, up to a maximum level no higher than market rent of the property concerned.

Determining the Market Rent that applies to a property

To determine the Market Rent that applies to a property, SAHV will generally carry out an independent open market rent valuation of all properties every three years. SAHV may also from time to time adjust Market Rents based on a review of publicly available data for comparable properties.

What we charge

SAHV will charge rent determined as, the greater amount of:

- 75% of the Market Rent; and
- 75% of the ATO Benchmark Rent, but no more than the Market Rent.

Market Rent amount changes as per the valuation of the property or review of available data on market rent.

Household income

Tenants' / residents' rent is set based on the household income. Gross Household Income is determined in accordance with the [DHHS Rent setting and rebate operational guidelines](#).

Provision of information about household income

All household members are required to evidence their income by providing income statements or other reasonable evidence that establishes their total household income.

This may be requested by SAHV:

- before being offered a tenancy with SAHV; and
- when SAHV carries out a rent review or sets the rent.

SAHV may increase a tenant's rent to Market Rent if the tenant does not provide the information within the timeframe required.

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

	Rent Setting Policy	Effective Date: April 2019
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Changes in household formation and income

Additional information will only be required if household circumstances change, such as the birth of a child or a person moving in to or out of the property. In such instances, the tenant is required to report any changes of circumstances to SAHV. Based on the changes, rent will be re-calculated and re-set to accommodate the change in circumstances. Some reportable circumstances can include:

- additional household member that will be a long term occupant at the property;
- birth of a child;
- care of additional children
- exit of an occupant, example; oldest child has left the family household;
- cessation of employment
- incarceration;
- rehab attendance

Response to changes in household circumstances - hardship

If a tenant contacts SAHV and is facing hardship with paying rent, SAHV may determine:

- to re-assess the tenant's rent based on this policy;
- to determine that a different approach to rent setting should apply to that tenancy;
- or
- to back-date an adjustment to the rent payable by the tenant to which the tenant is entitled in accordance with this policy.

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

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

- any unforeseen change to household composition beyond the control of the tenant;
- any material change in the health (physical or mental) of the tenant or members of their household;
- any disability of the tenant or members of their household;
- the impact of family violence on the tenant or members of the household; and
- cultural considerations, including Aboriginal cultural considerations.

Reviews of calculation of rent / rent

SAHV will provide tenants with a clear and transparent explanation as to how their rent has been calculated. All tenants have the right to ask SAHV to review the way that SAHV has determined their rent and to provide a further explanation.

Definitions

In this policy:

Applicant	Means an applicant for housing to SAHV.
ATO Benchmark Rent	Means the amount set by the Australian Taxation Office under the GST and non-commercial rules - benchmark market values for Long-term accommodation
Gross Household Income	Means the total household income assessed in accordance with the Income Assessment Guidelines
Market Rent	Open market rent generally expected for use of a property in comparison with similar properties in the same area
Maximum CRA	The maximum amount of Commonwealth Rental Assistance to which the household is entitled
Maximum Rent	Means the maximum rental amount payable for a property determined for a property in accordance with this policy
Transitional Housing Management (THM)	means the Victorian Government program to provide housing on a short-term basis to people at risk of homelessness seeking long term housing options

Legislation and standards

This policy implements the obligations of SAHV under:

- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DHHS](#)
- Performance Standards for Registered Housing Agencies
- Australian Human Rights Commission Act 1986 (Commonwealth)