



RENT SETTING POLICY

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Purpose

This policy establishes the approach of SouthEast to setting rent in its long-term rental housing programs.

Some housing agencies express the rent payable as the affordable rent. Others describe it as a subsidised rent, that is, a subsidy from a maximum or market rent. Both are valid ways of articulating rental affordability. This policy therefore refers to both “rent” and “rent subsidy”.

Scope

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

Policy statement

Approach to rental affordability – guiding principles.

SouthEast sets rent to fulfill its social mission and to ensure that its housing relieves households from rental stress.

Accordingly, SouthEast will:

- set rent in accordance with established affordability benchmarks;
- communicate clearly to applicants and renters as to how SouthEast sets and reviews rent;
- 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.

Approaches to affordable rent

SouthEast sets rent as follows:

The lower of:

- Household income based Rent;
- Maximum Rent

Household-income based rent

This is determined as:

- 25% of Gross Household Income, plus
- 15% Family Payments plus
- Maximum CRA

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

Maximum Rent

This is determined as the **lesser** of:

- 75% of the **market rent set by DHHS**; or
- 5% of the ATO Benchmark Rent, but no more than the Property Rent.

Provision of information about household income

Where there is a household-income base renters and applicants are obliged to provide to SouthEast reasonable evidence that establishes their total household income when requested by SouthEast:

- before being offered a residential rental agreement with SouthEast; and
- when SouthEast carries out a rent review / determines rents.

SouthEast may increase a renters rent to Maximum Rent (or if relevant, refuse to provide a rental subsidy) if the renters does not provide the information within the timeframe required.

If a renters subsequently provides information about household information after a rent review, changes take effect from the date of the change where the renters has provided reasonable details of the household income. SouthEast may agree to back-date changes in rent in circumstances where SouthEast determines that the hardship provision of this policy applies.

Determining the approaches to affordable rent

SouthEast will determine the approach to rent that applies to the property or residential rental agreement prior to an offer of a residential rental agreement being made.

In determining the approach that applies to a property or residential rental agreement, SouthEast will comply with legal and contractual obligations that may apply to a property.

SouthEast will not offer a residential rental agreement to an applicant for housing unless it is satisfied that the approach to the affordability of rent is appropriate and sustainable for that household.

Reviews of calculation of rent / rent

SouthEast will provide renters with a clear and transparent explanation as to how their rent has been calculated.

All renters have the right to ask SouthEast to review the way that SouthEast has determined their rent and to provide a further explanation.

Determining the Property Rent that applies to a property

To determine the Property Rent that applies to a property, SouthEast may generally carry out an independent open market rent valuation of all properties every three years.

SouthEast may also from time to time adjust Property Rents based on a review of publicly available data on market rents for comparable properties.

Response to changes in household circumstances

If a renters contacts SouthEast and is facing hardship with paying rent, SouthEast may determine:

- to re-assess the renters rent based on this policy;
- to determine that a different approach to rent should apply to that residential rental agreement; or
- to back-date an adjustment to the rent payable by the renters in accordance with this policy.

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

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

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

Communication

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

How the policy can be changed

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

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

Procedures

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

- to set and review the affordable rent;
- on communication with applicants and renters about how SouthEast has determined their rent;
- to identify the rental approach that applies to a vacancy, property, or residential rental agreement; and
- how renters may ask for a determination of rent to be reviewed.

Definitions

In this policy:

Applicant	Means an applicant for housing to SouthEast
ATO Benchmark Rent	Means the amount set by the Australian Taxation Office under the <u>GST and non-commercial rules - benchmark market values for Long-term accommodation</u>
Gross Household Income	Means the total household income assessed in accordance with the <u>DHHS Assessable Income guidelines</u>
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
Property Rent	Means the open market rent for a property determined by SouthEast in accordance with this policy
Transitional Housing	means the Victorian Government program to provide housing on a short-term basis to people at risk of homelessness seeking long term housing options
VHR	The Victorian Housing Register, the Statewide common application for people seeking public housing and community housing

Related policies

VHR and DHHS eligibility documents

VHR [eligibility guidelines](#)

Transfers ex Governance Manual

CHFV Definitions

Legislation and standards

This policy implements SouthEast's obligations under:

- Housing Act 1983 (Vic)
- Performance Standards for Registered Housing Agencies
- DHHS Victorian Housing Register Operational Guidelines

[Refer to the DHHS policy and Operational Guidelines](#)

Transparency and accessibility

This policy will be available on the SouthEast website www.sehc.org.au

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