



Rent Setting and Rent Review policy

Policy Statement

Rent setting will be based on the current market value of the property with a rebated component which allows the tenant access to housing commensurate with their income and avoids “housing stress”. Households will pay no more than 30% of income plus CRA or up to a maximum of 75% of market rent.

In setting rent policy, McH will adhere to its principles of seeking to create socially healthy communities as well as achieving financial viability. In all but “special purpose” developments, (e.g. specific supported projects targeted at people with a disability, mental health issue, drug or alcohol dependency) a tenant mix of 30/40/30 will be sought: 30% Centrelink income only, 40% Centrelink plus other income, 30% wage (or other income source).

As a matter of viability, the lowest rents charged will be set at levels that achieve maximum CRA.

Objective

McH must balance the need between its mission of providing affordable, secure tenancies and maintaining company financial viability and the ability to maintain assets and properties.

Process

Rent Setting

1. Market rents will be assessed through independent valuations and ATO website data and comparisons with other providers.
2. The discount offered to the tenant will be the variance between the market rent and rent actually charged by McH based on the above calculation (no more than 30% of income plus CRA or up to a maximum of 74.9% of market rent.)
3. Rents are set at the time of application and are reviewed annually. This will take in consideration the with Centrelink reviews of benefits. This will usually be in March and September.
4. Each rent review process runs over 8 weeks with any rent increase taking effect after due notice is given to the tenant
5. Tenants are to be notified by mail before increases in rent are applied and rent deductions are to be automatically adjusted for households who pay their rent by direct debit.
6. Each tenant is to be sent a yearly rent review letter requesting proof of income for all household members over 18 years of age and, if necessary, a Centrelink deduction authority.
7. Where the tenant has a nominated support agency a copy of this and any follow-up correspondence is to be sent to the agency.
8. Responses may indicate a change in household numbers. Household profiles will be updated accordingly.
9. Four weeks from the mailing of the half-yearly rent review letter, the Housing Officer is to check that the tenant has correctly responded. Any omissions or inconsistencies are to be followed up with the Tenant.
10. If no response has been received, a reminder letter is to be sent to the tenant. This will be followed up with telephone contact.

11. If within a further 14 days there is still no response, a letter will be sent to the tenant notifying that rental assistance may cease and market rent will immediately apply. The letter will be followed up by a telephone call.
12. If within a further 14 days there is still no response, a letter will be forwarded to the tenant notifying that the market rent of the property will now be charged.

Rent Payable

1. Once all documentation has been received from the tenant, all sources of income are to be categorised as “assessable” or “non-assessable” as per guidelines. The rent payable is then to be calculated and other charges and levies as applicable are to be added.
2. Files and systems will be updated to record the new rents to be charged. A letter confirming the updated calculation of rent will be forwarded and the date on which the new payment will take effect.
3. The timing of the increased rent implementation will be in accordance with the relevant legislation.

Reference: Residential Tenancies Act 1997 (Vic), The Housing Act 1983,

Version	Date	Author	Reason	Sections
1.2	26/01/2022	HDM	Draft Implementation	All
1.2	November 2022	CEO	Review of all HR policies	All