

Rent Policy



Purpose

The purpose of this policy is to outline how rent is determined for renters in Jubilee Housing properties, including how rent is calculated, renters' rights and responsibilities in relation to rent and how Jubilee Housing will respond if rent payments fall behind.

Scope

This policy applies to all properties managed by Jubilee Housing Inc that have been built or purchased using capital funding from the state or federal government. This includes all properties located at:

- Jubilee Place development, Lexton Rd, Box Hill North
- Emmaus development, Home St, Bayswater North
- College Way and Figtree Lane, Burwood.

Communication

Jubilee Housing Inc. will ensure this policy is readily available to all applicants, residents, staff and committee members. It will be issued to all new renters at the start of their tenancy and publicly available on the Jubilee Housing website.

Jubilee Housing Inc will provide clear information to renters on how rent for their household has been determined and inform renters when rent will be reviewed. This information will be issued to renters at the start of their tenancy, at each annual rent review and at any time on request.

Jubilee Housing Inc will communicate with renters whenever their rent, or this policy, might change. JHI staff are available to help renters understand this policy

Policy Principles

Jubilee Housing Inc sets rent in accordance with its social mission to ensure that its housing is affordable for renters. Renters will be informed of the rent that applies to the property or tenancy prior to an offer of a tenancy being made. Jubilee Housing Inc will not offer a tenancy to an applicant for housing unless it is satisfied that the rent is appropriate and sustainable for that household.

In applying this policy Jubilee Housing Inc will also ensure:

- Rent is set in accordance with established affordability benchmarks;
- Communication to applicants and renters on how rent is set and reviewed is clear and in a variety of formats
- Rent is reviewed annually to respond to changes in household circumstances and measures are taken to prevent undue hardship
- Where tenancies are at risk, a referral to support will be provided as early as possible to attempt to rectify any issues

- Consistent, fair and accountable processes are followed, with renters provided with information about processes that impact their tenancies;
- We respond to all issues in a person centered and respectful manner and consider any factors that may be impacting on the safety or wellbeing of renters and their families;
- All our legal, regulatory, and contractual duties are met.

Policy Application

Maximum Rent

The maximum rent charged in JHI properties is based on the rent that would be charged for a similar property in the same suburb in the private real-estate OR 75% of the long-term accommodation benchmark market values set by the Australian Tax Office, whichever is the lowest.

- The initial maximum rent of the property is shown on the residential rental agreement
- Maximum rent is reviewed every 12 months
- If the maximum rent for the property changes when rent is reviewed, Jubilee Housing Inc will advise the renter by sending a notice of rent increase
- After receiving notice of a change to the maximum rent, renters can apply for a review of their rent in accordance with their household income. Jubilee Housing Inc will outline this clearly in our communications with the renter.

Income-based rent

At the beginning of each tenancy and at each annual rent review, eligible renters are invited to apply for a review of their rent according to their household income by submitting evidence of the income each person in the household receives.

In order to be eligible for an income-based rent, renters and household members must:

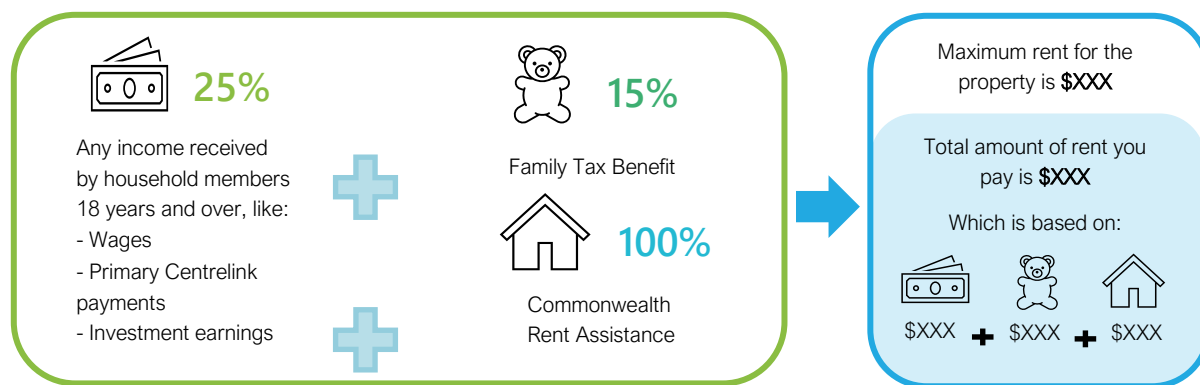
- Occupy a property within the scope of this policy
- Not own any interest in real estate that could be occupied by the renter
- Not own assets of similar value to the property they occupy
- Provide accurate information and evidence of income for all household members

How we work out the amount of rent payable

- We examine whether renters are eligible to claim a rent reduction.
- We look at how much income household members over 18 years old receive (or are eligible to receive)
- Then we calculate the amount of rent payable each fortnight based on a percentage of that income

There are certain types of income that are not assessed in the rent calculation, like an AusStudy loan or a carers allowance. See [here](#) for a full list of the types of income that are included in the rent calculations.

The following infographic shows how Jubilee Housing Inc calculates rent payable based on renter income and where there are no other additional charges:



Renters can request a review of this calculation

If a renter believes there is an error in their rent calculation, renters have the right to ask Jubilee Housing staff to review their rental calculation and to provide a further explanation of how the amount they pay was reached.

Providing information about household income

Renters are obliged to provide to Jubilee Housing Inc with current evidence that establishes their total household income when applying for an income-based rent to be charged. This evidence must be less than 1 month old and may include:

- Centrelink Income Statements (detailed) or permission for JHI to access this information directly from Centrelink.
- 2 x payslips from an employer (for people working full-time or permanent part-time)
- Payslips for the past 13 weeks from each employer (for people working on a casual basis)
- A recent quarterly BAS return and/or an accountant’s profit & loss statement (for people who are self-employed)

If a household member is not receiving a Centrelink benefit that they may be entitled to, a letter from Centrelink explaining why they are not eligible for the benefit will be required. Otherwise Jubilee Housing will include all benefits household members may be entitled to in the rent calculation.

What happens if renters don’t provide their household income information?

Income details are required in order to assess eligibility for a reduction to the market-based rent amount. If evidence is not provided, no discount can be provided, and the maximum rent will be charged.

How rent can change

Rent payable can change:

- Annually, during rent reviews
- With approval of the Jubilee Housing Committee of Management if a renter experiences long-term hardship (of more than 3 months) due to a substantial change of income or household-circumstances.

Annual rent reviews

Rent is reviewed regularly to make sure the amount renters pay is still a good fit for their income.

- Rent is reviewed every 12 months

- Jubilee Housing Inc will advise the renter in writing before the next rent review happens

What happens during the annual rent review?

- The renter will receive a Notice of Rent Increase which will advise the renter of the maximum rent that will be charged for the property for the next year and the date when the change will apply.
- The renter will also receive information about how to apply for rent to be reduced in accordance with their household income, if they wish to do so.
- Where a renter does not provide income details to apply for a rent reduction, the household rent will remain at the maximum rent rate.
- If a renter applies for a rent reduction and provides evidence of each household member's income, the rent payable will be recalculated and made effective from the date of the annual review.
- While the rent amount payable might change, rent will never exceed the maximum rent, except where there is an additional service charge (eg: gardening fee).
- Rent cannot be changed between annual rent reviews unless the Committee of Management approves a review due to long-term hardship (*see Hardship Policy for more information*).

When a change to a renter's household income or circumstances causes long-term hardship

If a change to a renter's household income or family circumstances causes rental hardship for the renter for longer than 3 months, the renter may apply for special consideration. They will need to provide evidence of:

- **How and when income has changed:** eg; losing a job or getting less money from Centrelink. Evidence will include documents such as a Termination Notice, Centrelink Income Statements and/or letters from Centrelink reducing or refusing to pay benefits.
- **How and when their household changed:** eg; someone moving out. Evidence will include details of the new address for the household member who has left and copies of related bills or rent statements.

What happens if rent is reviewed due to long-term hardship?

- Jubilee Housing staff will offer to refer renters to organisations that may be able to offer appropriate assistance.
- The Jubilee Housing Committee of Management may decide that rent can be reviewed prior to the next annual rent review.

(*see Hardship Policy for more information*).

If renters miss paying rent

Renters must pay rent in full and on time, or they will be in breach of their rental agreement with Jubilee Housing Inc. If an agreement to repay overdue rent cannot be reached or maintained, or any further breaches could put the tenancy at risk of ending (*see Rent Arrears Policy for more information*).

There are options if renters have difficulty paying rent

Jubilee Housing Inc will work with the renter to understand rental payment challenges and how they could potentially be addressed. Renters should speak to the Housing Manager if they are concerned that they won't be able to pay their next rent or their rental debt (*see Hardship Policy for more information*).

Related policies

- Hardship Policy
- Rental Arrears Policy (TBA)
- Complaints Policy (TBA)

Legislation and standards

This policy implements the obligations of Jubilee Housing Inc under:

- Residential Tenancies Act 1997

And aligns with Community Housing expectations under:

- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DHHS](#)
- Performance Standards for Registered Housing Agencies