

# Determining Rents for Affordable Housing - Policy Number 102

Edited August 2023

## 1. Purpose

This policy outlines how Pacific Community Housing determines rents for its tenants.

## 2. Scope

This policy applies to all Pacific Community Housing assets.

## 3. Principles

Pacific Community Housing is committed to providing excellent services in supplying affordable housing to people who earn low to moderate incomes. This policy outlines how rents are established for tenants. It is intended to:

- Give clear guidelines on how Pacific Community Housing sets and adjusts rental prices.
- Ensure fair, transparent and impartial rent prices for all Pacific Community Housing properties.
- Provide a discount to market rent taking account of household income, their individual situation and the capacity for households to pay rent without being financially burdened.
- Take each individual household's needs and relevant circumstances into account.
- Show compassion and give support when required should tenants fall into arrears and reach a positive agreement to help tenants resolve any rental arrears.

## 4. How Rents for Affordable Housing are Determined

Rent for Affordable Housing properties varies from area to area and will be determined using the principles set out under the National Rental Affordability Scheme Guidelines. If a household is eligible for community housing as outlined in the Eligibility for Affordable Housing policy, Pacific Community Housing will:

- Set rents at 80 per cent or less than the price of similar properties in the local area\*.
- Aim to ensure households with low to moderate incomes not pay more than 30% of their gross income.
- Guarantee the rent is fixed for full term of the lease.

\* A local area is defined as the average rent for a similar sized dwelling within a 3-kilometre radius of the Pacific Community Housing dwelling.

## 5. Adjusting Rents and Rent Reviews

Rent prices will be reviewed every 12 months, on the anniversary date of a tenant's occupancy or at the conclusion of a lease. Pacific Community Housing will assess the current rents in the local area and determine if an adjustment to the rent needs to be made according to market trends.

Each year Pacific Community Housing will assess if a tenant is still eligible to be offered Affordable Housing and ensure any rent changes will adhere to the rental guidelines in section 4 of this policy titled 'How Rents for Affordable Housing are Determined'.

Tenants will be informed in writing at least 60 days prior to any rent increase. The notice must specify:

- The increased rent.
- The day from which the increased rent applies.

The process for implementing rent increases must be consistent with the Residential Tenancies Act 2010 and, where relevant, with the Australian Government's NRAS Policy Guidelines.

## 6. When a Tenant is Found to be no Longer Eligible

Where a tenant is found not to be eligible after a review of eligibility, Pacific Community Housing:

- Can use Section 143 of the Residential Tenancies Act 2010 to terminate the tenancy on the grounds that the tenant is no longer eligible to reside in the class of community housing to which the leasing agreement applies.
- Should assist the tenant with exit strategies and assistance as outlined in the Breaking or Terminating a Lease policy.
- Allow a tenant to be given up to twelve months to move to alternative accommodation, depending on their circumstances.

## 7. Legislative Framework and Related Policies

- Eligibility for Affordable Housing - Policy 101
- Breaking or Terminating a Lease - Policy 108
- National Rental Affordability Scheme Act 2008
- Income Tax Assessment Act 1997
- State Environmental Planning Policy (Housing) 2021
- Residential Tenancies Act 2010
- NSW Affordable Housing Ministerial Guidelines 2023 - 2024  
<https://www.facs.nsw.gov.au/download?file=843446>