



Policy

Rent Setting

Accommodation

Policy Statement

Unity Housing Company Ltd (Unity) currently manages a range of housing programs offering reduced rent for people on very low to moderate incomes and people with additional needs, including those who are disabled, homeless or at risk of homelessness. Much of this housing has a high capital government subsidy and consequently has mandatory rent structures.

Unity will continue to develop new housing models which may incorporate additional rent structures. These rent structures will incorporate affordability measures and sub market rents in accordance with the business model underpinning the project or program and any funding requirements.

This rent policy aims to balance:

- Affordability for tenants.
- Organisational financial sustainability.
- Simplicity, fairness and equity.

Purpose

This policy provides a framework for the key elements of rent setting across programs and properties owned or managed by Unity.

Scope

This policy applies to all properties owned or managed under the following programs:

1. SACHA funded properties;
2. Housing and Accommodation Support Partnership (HASP) properties;
3. Nation Building Economic Stimulus Plan (Stimulus) housing;
4. Transitional Housing Program (THP) properties;
5. Disability Housing Program (DHP) properties;
6. Stock Transfer (SA Housing Trust - SAHT) properties;
7. Boarding House Program;
8. National Rental Affordability Scheme (NRAS) and ex-NRAS properties;
9. ROSAS Affordable properties;
10. Specialist Disability Accommodation (SDA) funded properties;
11. Other e.g. Local Government Community Housing Program (LGCHP) properties, Fee for Service programs

Principles

All tenancies shall be managed in accordance with the requirements of the Residential Tenancies Act, including any exemptions that may be granted from time to time and where appropriate, relevant contractual arrangements.

Methods used for the calculation of rents for individual housing programs are dictated by the relevant funding agreement or other contractual arrangements and, where applicable, the Community Housing Rent Policy and Procedures which can be viewed on the sa.gov.au website.

Maximum Rent

All properties owned and managed by Unity will have a maximum rent assigned and the rent charged cannot exceed the maximum rent. Maximum rent is calculated according to the relevant funding agreement or contractual arrangements.

Proof of Income

Tenants are required to provide proof of their household income as required for each housing program. If proof of income is not provided, maximum rent will be charged.



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Changes in Household Income

Tenants living in properties with an income based rent model, such as SACHA funded and Stimulus, are required to report significant changes in household income within 14 days. This may result in rent being increased or decreased. If the amount of rent charged is to be decreased, this will be immediately passed onto the tenant, at the commencement of the next rent period. If the rent is to be increased, the tenant will be given 14 days written notice in accordance with Community Housing Rent Policy and Procedures and the Residential Tenancies Act.

Rent Setting Policy

Refer to Appendices A, B and C for a summary of rent setting methods for individual housing programs listed below.

1. SACHA funded Properties

The Master Community Housing Agreement between Unity and SAHT requires Unity to abide by the Community Housing Rent Policy and Procedures for General Tenancies.

2. Housing and Accommodation Support Partnership (HASP)

HASP is an initiative of the Mental Health Unit of SA Health and rent setting is in accordance with the HASP Facilitation Deed. NRAS – HASP properties are bound by the NRAS Policy guidelines and relevant Project Agreements.

3. Stimulus Program

Stimulus Housing Properties received capital funding under the Nation Building Economic Stimulus Plan (Housing). These properties include Supported and Supportive Housing. Rent setting is in accordance with the Supported and Supportive Social Housing Program policies and procedures and the Community Housing Rent Policy and Procedures for Supported Tenancies.

4. Transitional Housing Program (THP)

Unity head leases a number of properties from SA Housing Trust (SAHT) via the Transitional Housing Program (THP). Rent setting is in accordance with the Transitional Housing Program Lease Agreement and the Community Housing Rent Policy and Procedures for Affordable Tenancies.

5. Disability Housing Program (DHP)

Unity head leases a number of properties from SA Housing Trust (SAHT) via the Disability Housing Program (DHP). Rent setting is in accordance with the Disability Housing Program Lease Agreement, the Community Housing Rent Policy and Procedures for Supported Tenancies.

6. SAHT Stock Transfer

SAHT tenancies existing at the time of transfer to Unity management (23rd September 2017) are charged the existing SAHT approved rent, as supplied by SAHT and in accordance with SAHA Rent Policy and the Housing Transfer Management Deed. Tenancies commencing after the time of transfer are charged rent in accordance with the Community Housing Rent Policy and Procedures for General Tenancies.



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7. Boarding Houses

Unity head leases a number of Boarding Houses from SA Housing Trust (SAHT) via the Boarding House Program. These tenancies are managed in accordance with the requirements of the Residential Tenancies Act 1995 – Part 7 Rooming Houses. Rent will be reviewed six monthly based the following principles:

- To balance organisational financial sustainability and affordability for tenants.
- Set on a per room, per property basis.
- Subject to standard of amenity (of site and room).
- Comparative with private Boarding House rents.

8. National Rental Affordability Scheme (NRAS)

All properties that have National Rental Affordability Scheme (NRAS) incentives will comply with the NRAS Policy Guidelines for rent setting and Project Agreements executed with State Government and the determination of the market rent, which requires that:

- an independent written valuation of market rent will be obtained from a registered valuer when the property first becomes available for rent and at the end of the fourth and seventh years following builder handover. In years 2, 3, 5, 6, 8 and 9, the rent will be calculated using the all groups component of the CPI as listed on the Federal Government website. In these years, rent will be determined on the 1st May or within 10 days of release of the CPI figure.

The market rent as calculated above will be implemented at the next lease renewal date, providing that the rent is not increased more than once in the NRAS year (1st May to 30th April).

Rent for NRAS properties will be reviewed annually in accordance with NRAS Policy Guidelines which state that:

- rent may be reviewed upon entering a lease with a new tenant or for an existing lease, no more than at 12-monthly intervals from the date of entering into the lease.

Market rent determination and rent setting method for properties for which NRAS incentives have ended (ex-NRAS) are detailed in Appendix C.

9. ROSAS Affordable Properties

Unity owns properties retained through various property development programs. Rents are charged in accordance with the requirements of the relevant Development Deed and where applicable the relevant Project Agreements, Affordable Housing Land Management Agreement and Deed of Statutory Covenant.

10. SDA Funded Properties

For properties that are SDA enrolled and where Unity is in receipt of SDA funding for the tenancy, the tenant will be charged a Reasonable Rent Contribution (RRC) as specified in SDA Rule 5.7, the SDA Pricing and Payment Framework, SDA Terms of Business and the Community Housing Rent Policy and Procedures for NDIS-SDA Tenancies.



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11. Other

Unity owns and/or manages properties from a variety of providers, including Local Government Community Housing Program (LGCHP) properties and properties managed on a Fee for Service basis. Rent for these properties will be charged in accordance with the relevant contractual arrangements. Where contractual arrangements are non-prescriptive, rent for these properties will be determined by consideration of the tenancy cohort and reference to the objectives of the program/property grouping.

Implementation

It is essential that all staff are aware of and comply with all relevant legislative requirements and internal policies and procedures. The Rent Setting Policy and associated documentation are available to staff through the Document Library on the intranet.

Responsibilities

Operations Managers are responsible for ensuring tenant rents are charged in accordance with this policy.

Associated Documentation

Appendix A – Rent Setting Methods
Appendix B – Fee for Service – Rent Setting Methods
Appendix C – NRAS Project Agreement Rent Terms
Community Housing Rent Policy and Procedures
Housing Transfer Management Deed
NRAS Policy Guidelines and Project Agreements
NRAS Property Listing (incl ex NRAS)
Residential Tenancies Act 1995
SDA Rules
SDA Pricing and Payments Framework
SDA Terms of Business
SMAART User Guides
Specialised Housing Program Lease Agreement – DHP and THP
Supported and Supportive Social Housing Program policies and procedures.
Tenant Services Levy Policy
Unity Rent Calculation Guide

Endorsements

Unity Housing Company Ltd

Chief Operations Officer

8 December 2021

Next Review Date:

1 November 2022



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Appendix A – Rent Setting Methods (updated: October 2021)

SAHA Rent Procedure	Housing Program Type	Market Rent (MR)	Maximum Rent	Minimum Rent	Rent Calculation	TSL	Rent Review	Market Rent Setting
General	SACHA	VG	100% MR Max 30% of assessable household income + CRA (inc TSL)	25% of YA	25% of assessable household income + TSL + CRA**	Y	6 monthly*	CFO notified annually in August – to send to IT and OMs. Information is also available on QDR
Supported	Stimulus (inc SACHA used as Stimulus)	VG	74.9% MR Max 25% of gross household income + CRA (vulnerable)	25% of YA	25% of gross household income + CRA (vulnerable)	N	Annually* at lease extension	CFO notified annually in August – to send to IT and OMs. Information is also available on QDR
General	SAHT Existing tenants	VG	100% MR (no decrease)	25% of YA (no disadvantage test)	SAHT provided	N#	6 monthly*	CFO notified annually in August – to send to IT and OMs. Information is also available on QDR
General	SAHT New tenants	VG	100% MR Max 30% of assessable household income + CRA (inc TSL)	25% of YA	25% of assessable household income + TSL + CRA	Y	6 monthly*	CFO notified annually in August – to send to IT and OMs. Information is also available on QDR
Affordable	THP	VG	100% MR Max 30% of gross household income + CRA (inc TSL)	25% of YA	25% of gross household income + TSL + CRA	Y	6 monthly*	CEO notified annually, distributes to CFO and COO. CFO to send to IT and OMs
Affordable	Existing THP Unsupported (ex STS)++	VG	100% MR Max 30% of assessable household income + CRA (inc TSL)	25% of YA	25% of assessable household income + TSL + CRA	Y^	6 monthly*	CEO notified annually, distributes to CFO and COO. CFO to send to IT and OMs
General	LGCHP	VG	100% MR Max 30% of assessable household income + CRA (inc TSL)	25% of YA	25% of assessable household income + TSL + CRA**	Y	Annually*	OMs to review annually in advance of Rent Review



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SAHA Rent Procedure	Housing Program Type	Market Rent (MR)	Maximum Rent	Minimum Rent	Rent Calculation	TSL	Rent Review	Market Rent Setting
Supported	DHP	VG	100% MR Max 25% of gross household income + CRA	25% of YA	25% of gross household income + CRA	N	6 monthly*	CEO notified annually, distributes to CFO and COO. CFO to send to IT and OMs
Supported	MHU leased	VG	74.9% MR	30% of YA Plus 100% CRA	25% of gross household income + CRA	N	6 monthly*	OM to review annually in advance of rent review
n/a	Unity Owned	Desktop Appraisal	100% MR Max 30% of assessable household income + CRA (inc TSL)	25% of YA	25% of assessable household income + TSL + CRA**	Y	6 monthly*	Desktop Appraisal every 2 years; CFO to adjust annually for inflation
n/a	Boarding House	n/a	n/a	n/a	Set per room, per property	N	6 monthly	No Market Rent
SDA funded	All	Independent Valuation or VG	100% MR (per tenancy)	25% of DSP + CRA received	25% of DSP + assessable income + CRA received	N	6 monthly*	As per Housing Program Type
n/a	ROSAS Affordable	Desktop Appraisal	74.9% MR Max 30% of gross household income + CRA	74.9% of market rent	74.9% of market rent	N	Annually at lease extension	Desktop Appraisal every 2 years; CFO to adjust annually for inflation

<p>VG = Valuer General TSL = Tenant Services Levy YA = Youth Allowance MR = Market Rent DSP = Disability Support Pension CRA = Commonwealth Rent Assistance QDR = Quarterly Data Return</p>	<p>Vulnerable = as mandated by Govt or high need; low income (YA or less); at risk of homelessness; mental health issues at discretion of Unity.</p>	<p># TSL may be charged where the tenant agrees to pay for the installation of a new heating and cooling system to replace failed heating only system (Limestone Coast tenants only – refer TSL Policy).</p>	<p>* or when household income changes. ** Percentage may vary for low or moderate incomes – refer to SAHA Policy and procedures. ^^ TSL= \$6 per fortnight for THP Unsupported tenancies commencing prior to 23/8/2014. ++ THP unsupported tenancies commencing prior to 23/8/2014.</p>
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Appendix B – Fee for Service (FFS) Rent Setting Methods

SAHA Rent Procedure	Housing Program Type	Market Rent (MR)	Maximum Rent	Minimum Rent	Rent Calculation	TSL	Rent Review	Market Rent Setting
n/a	Bedford Balyana	n/a	n/a	n/a	Set per room	N	Annually	Set by Bedford
n/a	St Andrews Cottage Homes	Desktop Appraisal	70% MR	n/a	70% MR	N	Annually	Set by St Andrews Cottage Homes Board
n/a	Bedford Homes for 100 (non NRAS)	Independent Valuation	74.9% MR	n/a	74.9% MR	N	Annually	Set by Bedford
n/a	Bedford Homes for 100 (NRAS)	Independent Valuation	74.9% MR	n/a	74.9% MR	N	Annually	Set by Bedford
n/a	Bedford Homes for 100 – ex NRAS	Independent Valuation	74.9% MR	n/a	74.9% MR	N	Annually	Set by Bedford
n/a	Globe Apartments (managed)	n/a	n/a	n/a	Set by landlord	N	Annually	As per individual landlord direction, guided by Comparative Market Analysis provided by Unity

MR = Market Rent

TSL = Tenant Services Levy

n/a = not applicable



Appendix C – NRAS Project Agreement Rent Terms and Rent Setting Methods

Project Name	Commencement Date	Relevant Deed	Deed Rent Terms	Project Agreement Rent Terms
Logan Street	12/7/2007	Facilitation Agreement	Schedule 2 Non- prescriptive	25% of income + CRA tenants on statutory income – (5 units); 74.9% MR – (11 units)
Northern Suburbs	1/10/2009	Facilitation Agreement		74.9% MR
Evans Place	21/5/2010	Facilitation Agreement		74.9% MR; 25% of income + CRA (5 units)
The Globe	2/7/2010	Facilitation Deed	Schedule 3 of Deed of Statutory Covenant 30% of all income + CRA	75% MR (36 units); 25% of income + CRA (6 units – high need/homeless) ^{^^}
Gumeracha	21/9/2010	Facilitation Deed		25% of income + CRA
Cheltenham	6/8/2010	Facilitation Deed		74.99% MR (12 houses); 25% of income +CRA (3 houses)
Goolwa	17/6/2010	Facilitation Deed		74.99% MR (4 houses); 25% of income +CRA (2 houses)
Bowden 1	13/5/2015	Master Deed	Schedule 3 of Deed of Statutory Charge Non-vulnerable: 30% of all income + CRA Vulnerable: 25% of all income + CRA	Pursuant to the terms and conditions of the Master Deed
St Clair 1	21/8/2014	Master Deed		Pursuant to the terms and conditions of the Master Deed
St Clair 2	12/2/2014	Master Deed		Pursuant to the terms and conditions of the Master Deed
Northern Region	12/3/2013	Master Deed		Pursuant to the terms and conditions of the Master Deed
Northern Region	5/8/2013	Master Deed		Pursuant to the terms and conditions of the Master Deed
Northern RDAF High Needs 1	3/3/2014	Master Deed		Pursuant to the terms and conditions of the Master Deed
Northern RDAF High Needs 2	11/4/2014	Master Deed		Pursuant to the terms and conditions of the Master Deed
Northern RDAF High Needs 3	11/4/2014	Master Deed		Pursuant to the terms and conditions of the Master Deed

MR = Market Rent
 CRA = Commonwealth Rent Assistance
 n/a = not applicable

^{^^} In addition to the Rent charge, a service fee is charged for access to Level 1 facilities/support and provision of a furnished apartment. This service fee is included in the MR calculation. This service fee (currently \$92 per week per apartment as at 30 June 2020) is in addition to the assessment of income-based rent pursuant to the terms of the Project Agreement.



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SAHA Rent Procedure	Housing Program Type	Market Rent (MR)	Maximum Rent	Minimum Rent	Rent Calculation	TSL	Rent Review	Market Rent Setting
Affordable	Affordable - NRAS 1 & 2 (Income Based) (HASP)	Independent Valuation	74.9% MR	25% of YA	25% of gross household income + CRA	N	Annually	NRAS Compliance Officer to arrange valuation (years 1, 4, 7) or CPI linked increase
Affordable	Affordable - NRAS 1 & 2, 4	Independent Valuation	74.9% MR Max 30% of gross household income + CRA	n/a	74.9% of market rent	N	Annually	NRAS Compliance Officer to arrange valuation (years 1, 4, 7) or CPI linked increase
Affordable	Affordable - NRAS 1 & 2 (Income Based)	Independent Valuation	74.9%MR	Income based rent	25% of gross household income + CRA	N	Annually	NRAS Compliance Officer to arrange valuation (years 1, 4, 7) or CPI linked increase
Affordable	Affordable – NRAS 4 (DCSI)	Independent Valuation	74.9%MR	Income based rent	25% of gross household income + CRA	N	Annually	NRAS Compliance Officer to arrange valuation (years 1, 4, 7) or CPI linked increase
Affordable	Affordable – ex NRAS 4 (DCSI)	Independent Valuation	74.9%MR	Income based rent	25% of gross household income + CRA	N	Annually	NRAS Compliance Officer to arrange valuation (years 1, 4, 7) or CPI linked increase
Affordable	Affordable – ex NRAS 1 & 2 (Income Based) (HASP)	Desktop Appraisal	74.9% MR	Income based rent	25% of gross household income + CRA	N	Annually at lease extension	Desktop Appraisal every 2 years; CFO to adjust annually for inflation
Affordable	Affordable – ex NRAS 1 & 2, 4	Desktop Appraisal	74.9% MR Max 30% of gross household income + CRA	n/a	74.9% of market rent	N	Annually at lease extension	Desktop Appraisal every 2 years; CFO to adjust annually for inflation

MR = Market Rent
CRA = Commonwealth Rent Assistance

n/a = not applicable
TSL = Tenant Services Levy