

MCM Housing Rent Setting Policy



Purpose

MCM Housing (MCMH) is a not-for-profit registered housing provider that provides housing to young people with low to moderate income who are disadvantaged by the private rental market and / or unable to secure long-term housing.

This policy establishes rent-setting approaches that are applied by MCMH.

Scope

This policy applies to all housing programs properties owned or managed by MCMH.

This policy does not apply to properties managed by MCMH on behalf of other property owners where the owner retains responsibility for determining rent.

All staff are required to adhere to this policy.

Policy

MCMH works together to support the delivery of programs and services in predictable, transparent, and healing oriented ways. Our guidelines uphold the dignity, wellbeing, connectedness and self-determination of people and communities.

MCMH is a Child Safe organisation and child safety is at the forefront of our program delivery. Our guidelines ensure that Child Safety is a primary part of everyday thinking and practice. All employees and volunteers have an obligation to ensure we keep children safe from harm and abuse.

Guiding Principles

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

MCMH will:

- Set rent in accordance with established affordability benchmarks
- Communicate clearly, in a variety of formats, to applicants and tenants/residents how MCMH sets rent, assesses affordability and reviews rent
- Respond appropriately to changes in household circumstances to prevent undue hardship; and
- Comply with its contractual, legal, regulatory and policy obligations relating to affordability of rent

The Importance of Information and Communication

The setting of rents and other charges can be complicated. At each stage in the process, it is important that tenants/residents are supported and given the information that they need to understand what is happening, and why it is happening.

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MCMH will provide clear information to tenants on how their rent has been determined and inform tenants of their right to have their rental calculation reviewed:

- At the start of the tenancy.
- At regular intervals during the tenancy; and / or
- On request.

Approaches to rent in MCMH housing

There are several ways that rent can be set in community housing.

Depending on the program, MCMH chooses to set rent for its properties to whatever is the lower of:

- Income-based rent for the household – social housing rents
- 74.9% of the benchmark market rent – we have used the ACNC definition of affordable rent.

Where applicable, MCMH also calculates 100% of any Commonwealth Rent Assistance tenants are eligible to receive, based on the rent charge when calculating rent.

This is in line with most of the community housing sector. If tenants were renting in public housing, they would not be eligible to receive Commonwealth Rent Assistance.

MCMH will determine the approach to the affordable rent that applies to the property or tenancy prior to an offer of a tenancy being made.

In determining the approach that applies to a property or tenancy, MCMH will comply with legal and contractual obligations that may apply to a particular property.

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

Market Rent

Market rent, the amount that tenants would pay for the property in the private marketplace, is central to the rent setting process. Market rent sets the maximum rent that tenants can be charged and provides the base for the calculation of affordable rents.

Market rent can be estimated by:

- Comparison to rents charged by local real estate agents for a property of similar type, age, size, and location;
- Formal valuation; or
- Use of DFFH property rent, that has been valued by DFFH (where applicable).

MCMH will explain to tenants that market rent is how much their home would rent for in the private market. MCMH will include the initial market rent of their home in their residential rental agreement.

Market rent can be applied as a rent charge for the tenancy, where the household income-based rent is higher than the market rent.

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Household Income-based Rent

If the market rent of the property is more than either 25 or 30% of the tenant/resident or applicant's household income, then the household income will be used to calculate the rent payable.

Further information is available on how to apply for a rental rebate, as this is a 'discount' on the market rent.

Knowing the rent charge

Before offering a property, MCMH will have determined the market rent of the property and asked for information from the applicant so it is known in advance what the rent charge would be.

Rental rebate

Tenants/residents and applicants can apply for a rental subsidy called a rental rebate.

The rental rebate is the difference between the percentage of the total assessable income of all household members and the market rent of the property.

Information on the most common incomes of MCMH renters that are 'assessable' can be found at the end of this page.

Tenants/residents and applicants must be eligible and apply to MCMH for a rental rebate. If they are not eligible or do not apply, they will be charged market rent.

If a rebate is approved, the rent will be calculated as follows:

Social housing programs:
25-30% primary income (depending on program)
15% secondary income
100% eligible Commonwealth Rent Assistance

Applying for a rental rebate

Tenants/residents and applicants wanting to apply for a rental rebate with MCMH will be provided with the relevant forms to complete.

This may include specific supporting documents for each member of the household who is not able to provide a recent Centrelink income statement.

MCMH will be able to access tenant/resident and applicants' Centrelink income statements if they provide appropriate consent.

If this is not possible, MCM Housing will need to be provided sufficient evidence of income.

This could include:

- Payslips from employment (at least 3 that are recent)
- A recent bank statement (no older than 3 months)

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Each person in the household providing income information will need to consent to that information being assessed for rental rebate.

Upon receiving the paperwork requested, MCMH will assess rental rebate eligibility and provide written information to tenants/residents/applicants explaining what rental rebate the household is eligible for, and how that has been worked out based on the information provided.

Tenants and applicants are obliged to provide reasonable evidence that establishes their total household income to MCMH:

- Before being offered a tenancy; and
- When MCMH carries out annual rent reviews

MCMH may refuse to provide a rental rebate if the tenant/resident does not provide the information within the timeframe required.

Affordable Housing

MCMH will set rents for its Affordable Housing properties at 74.9% of the applicable market rent. Affordable housing will aim to house people on low incomes (i.e., minimum wage).

Changes in Household Circumstances

If a tenant/resident's household income or family circumstances change at any time, they must advise MCMH and provide evidence of this change.

If a tenant/resident's household income increases or decreases, the household income will be re-assessed, and the rent rebate will be recalculated and made effective from the date they advised MCMH of the change to income occurred based on the documents provided.

If a tenant/resident advised MCMH of a change in household circumstance, MCMH may:

- Re-assess their rent charges on this policy;
- Determine that a different approach to rent charge should apply to that tenancy; or
- Back-date an adjustment to the rent payable by the tenant/resident to which they are entitled in accordance with this policy

If a tenant/resident subsequently provides information about reduced household income after a rent review, changes will only take effect on and from the date they contacted MCMH and provided reasonable details of the household income.

MCMH may agree to back-date changes in rental rebates in circumstances where MCMH determines that the financial hardship provision of this policy applies. Please refer to the Rent Arrears and Hardship Policy for more information.

Additional Property Costs for Some Properties (Service Charge)

Some MCMH properties provide facilities and utilities to tenants/residents that would normally be paid for by tenants in addition to rent.

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Examples of these additional services include:

- Electricity
- Gas
- Water
- Central heating
- Laundry
- Other services or facilities made available to the resident or tenant

Additional property costs are applicable where a property is either co-tenanted or is not separately metered.

MCMH will calculate additional property costs based on the available actual cost of supply of those services to applicable properties.

The formula used is as follows:

- Overall cost of supply to property (electricity, gas, water etc.) over a defined period. This could be quarterly, 6-monthly, or yearly, depending on how much information is available.
- Divided by number of weeks in defined period - this provides a weekly figure
- Divided by number of tenable rooms in property
- Equals amount payable per week additional property costs

Example:



Additional property costs will be reviewed annually in line with rent reviews, except for significant cost variations in the supply to a property.

MCMH will provide tenants/residents with a clear and transparent explanation as to how their rent and applicable additional property costs have been calculated.

All tenants/residents have the right to ask MCMH to review the way that MCMH has determined their rent and to provide a further explanation. For more information, please refer to the Complaints and Appeals Policies.

Accountability
All MCMH staff are accountable to this policy
Legislative context
Residential Tenancies Act 1997

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Housing Act 1983

Supporting Material

Document title
Rent Review Policy
Rent Arrears and Hardship Policy
Rent Setting Procedure
Appeals Policy
Complaints Policy
Rent Review Procedure (TBC)
Utilities Procedure

Development and Review

Owner: MCMH Executive Officer
 Author: MCMH Operations Manager
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 Review Date: 19 June 2026

Appendix 1: Assessable and non-assessable income (main examples)

Primary incomes: assessed at 25 to 30 per cent (depending on the housing program)

Abstudy (various payment types)	Asylum Seekers Allowance	Austudy (various payment types)	Blind Pension
Carer Pension	Community Development	Clean Energy Supplement	Compensation Payment
Dad Partner Payment	Disability Wage Supplement	Disability Support Pension (various payment types)	University Scholarship/Grant and Bursaries
Exceptional Circumstances Relief Payment	Formal Training Allowance	Incentive Allowance	Investment/Savings Interest
Income Support Supplement	Jobseeker Payment (various payment types)	Approved Program of Work Supplement	Orphan Pension (18 and under)
Partners Allowance	Paid Parental Leave	Parenting Payment (various payment types)	Self-Employed Adjusted Nett Profit
Sheltered Workshop Allowance	Sickness Allowance (various payment types)	Special Benefit (various payment types)	Supplementary income
Top-up to appropriate Centrelink Rate	Wages (PAYE employees)	Work Care Payments	Youth Allowance (various payment types)

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Family incomes: assessed at 15 per cent

Clean Energy Supplement, FTB part A	Clean Energy Supplement, FTB part B	Family Lump Sum Supplement (A)	Family Lump Sum Supplement (B)
Family Tax Benefit - Part A	Family Tax Benefit - Part B	Imputed Family Lump Sum Supplement (A)	Imputed Family Lump Sum Supplement (B)
Imputed Family Tax Benefit - Part A	Imputed Family Tax Benefit - Part B		

Non-assessable incomes

Non-assessable incomes are usually payments that are provided for a specific purpose.

Additional payments made by other countries to victims of war as a result of their war experiences	Austudy Loan	Austudy Pensioner Educational Supplement	Baby Bonus
Bereavement Payment	Book Allowance	Carer's Allowance	Community Development Employment Project (CDEP) Payment Supplement – only the base rate amount
Child Care Benefit	Double Orphan Allowance	Education Allowances	Education Entry Payment
Fares Assistance	Foster Allowance	GST for allowances	Language, Literacy and Numeracy Supplement
Mobility Allowance	Multiple Birth Allowance	Orphan Pension (18 years and under)	Pension Supplement
Pharmaceutical Allowance	Remedial Tuition Allowance	Schoolkids bonus	School Start Bonus
Telephone Rental Concession	Travel, Meals, Laundry, and Accommodation Allowances	Work for the Dole Supplement	Youth Disability Supplement