

Information to Parishes:

Guidelines on how to set rent for social housing

We suggest that your parish has a policy for providing social housing which incorporates how to set rent.

If your parish has a significant number of housing units, you may wish to consider becoming a community housing provider (CHP). This would allow the parish to receive the income related rent subsidy which would top up the amount the tenant can afford to pay to the market rent in the area. Under the income related rent subsidy, low income tenants only pay 25% of their income with the government topping up the difference to market rent to the landlord.

To find out more information on this see MSD's website:

<http://housing.msd.govt.nz/information-for-housing-providers/providers/index.html#BecomingaregisteredCommunityHousingProvider1>

Your policy could include a list of priority applicants to provide clear understanding of who you will be offering the tenancy too. For example

Priority Applicant	Description
Emergency accommodation for parishioners	Members of our parish who are in need of emergency accommodation.
Methodist elderly	Members of the Methodist Church who are 65 years or older and are able to maintain an independent lifestyle
The fit elderly	65 years or older and are able to maintain an independent lifestyle
Refugees and migrants	Recently arrived either through the refugee quota or people entering the country under the humanitarian or family reunification categories
Low income families	Families who have low incomes which may be fixed due to being reliant on welfare benefits for support

It is important to ensure your tenant is linked with someone from W&I to ensure that they are receiving all the benefits they are entitled to. This will directly affect their ability to pay rental.

The Tenancy Services website provides information on the weekly market rent for properties in all regions throughout Aotearoa New Zealand. This is updated monthly and is compiled from information from bond data.

<https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/>

If you scroll down the page it will give you further information for apartments, boarding houses, flats, houses and rooms.

Market rent is the amount a landlord might reasonably expect to receive, and a tenant might reasonably expect to pay, for a tenancy. It needs to be similar to the rent charged for similar properties in similar areas, as a tenant can apply to the Tenancy Tribunal to ask for the rent to be reduced.

The information on this website will give you a starting point. Some social housing providers set the rent at 60% of the market rent, others 70% and others 80%. Be mindful that your tenants may include very vulnerable people on very tight budgets. The majority of seniors are reliant on Superannuation and the Accommodation Supplement payment to meet their housing costs.

You may want to provide a scale where the parish can set the rent at anything between 60-80% of market rent, depending on the personal circumstances of the particular tenant.

Alternatively you could set rent as a % of the tenant's income.

The rental you set is entirely your choice and we recommend you undertake your due diligence to ensure that you take into consideration the costs to the parish of ongoing repairs and maintenance, tenancy support, and a deferred maintenance plan.

If you would like to discuss this further, please feel free to contact **Ratenesh Sharma**, Group Property Manager for Airedale Property Trust. 021 412 970 or 09 302 6282 rateneshs@apt.org.nz

Tenants with high needs may need support to maintain their tenancy and address underlying issues they may be facing. Providing a secure affordable housing environment plays a vital role in enabling these tenants to get back on their feet and be an active member of their community. Your local Methodist Mission may be able to provide wrap around support for your tenants. We recommend you contact them to discuss this:

- Lifewise (Auckland) – Lifewise@lifewise.org.nz or 09 302 5390
- Methodist City Action (Hamilton) – maxine@hmss.org.nz or 07 839 3917
- Palmerston North Methodist Social Services – 06 350 0307 or manager@methodistsocialservices.org.nz
- Wesley Community Action (Wellington) – info@wesleyca.org.nz or 04 385 3727
- Christchurch Methodist Mission – info@mmsi.org.nz or 03 375 1470
- Methodist Mission Southern (Dunedin) – admin@mmsouth.org.nz or 03 466 4600