

## Private Rental Incentives Program Information for property owners and agents

### Overview

Homes Tasmania is committed to delivering a range of housing and support assistance measures for Tasmanians in need.

The Private Rental Incentives (PRI) program encourages property owners to make their homes available for affordable rent to low-income households with low or no support needs. Tenancy and property management is provided on behalf of the property owner by Centacare Evolve Housing (CEH).

The program assists low-income households into secure private rental accommodation at an affordable rent. Key features include:

- CEH, an experienced community housing provider, provides fee-free tenancy management services (statewide)
- lease terms of two years and guaranteed rent to the property owner
- properties are managed in accordance with the *Residential Tenancy Act 1997*
- rents are capped at between 25 and 30 per cent below region median rates
- incentive payment to owners is between \$6 600 and \$9 900 per annum, with payment commencing at the start of the sub-lease term
- preference for one- and two-bedroom properties close to major urban centres.

Homes Tasmania is continuing the number of available homes, providing a total of 200 affordable rental properties for the next two years.

## Program details

Property owners (or their agents) with approved properties will enter into a head lease and payment agreement with CEH who will source and sign a sub-lease directly with a suitable eligible tenant. CEH will disburse all rental and incentive payments to property owners.

Interested property owners can apply at [www.homestasmania.com.au/Private-Rental/Private-rental-incentives](http://www.homestasmania.com.au/Private-Rental/Private-rental-incentives)

Maximum rent and incentive amounts vary according to the property type and location.

Rent may be negotiated with the owner but must not exceed the maximum capped rents (Table 1) and will not change during the lease term.

**Table 1: PRI maximum capped rents and incentives**

Region	Bedrooms	Maximum rents (per week)	Incentive amount
<b>North-West</b>	1	\$130	\$15 400 (\$7 700 pa)
	2	\$180	\$15 400 (\$7 700 pa)
	3	\$217	\$13 200 (\$6 600 pa)
	4	\$263	\$13 200 (\$6 600 pa)
<b>North</b>	1	\$154	\$15 400 (\$7 700 pa)
	2	\$224	\$15 400 (\$7 700 pa)
	3	\$263	\$13 200 (\$6 600 pa)
	4	\$315	\$13 200 (\$6 600 pa)
<b>South</b>	1	\$203	\$19 800 (\$9 900 pa)
	2	\$273	\$19 800 (\$9 900 pa)
	3	\$322	\$19 800 (\$9 900 pa)
	4	\$399	\$17 600 (\$8 800 pa)

## Applicant/tenant eligibility

Suitable applicants will be:

- 18 years or older
- able to afford the rent and meet income eligibility for social housing
- able to live independently (with little to no support) and
- able to look after the property and meet their lease requirements.

Applications for the program are received through Housing Connect.

An applicant's previous rental history and support needs will be assessed at application for suitability for the program by Housing Connect.

If an applicant has previously had a tenancy with Housing Tasmania or the tenancy manager, CEH, their tenancy history will also be reviewed for rental arrears, property damage or anti-social behaviour to also ensure the program is suitable for them.

## Suitable properties

Suitable properties will be sourced from the private rental market and be located close to public transport and essential services.

The program aims to increase choice in the private rental market and is seeking properties that are:

- currently used for short-stay accommodation
- new to the rental market, including new ownership of an investment property
- current rental properties that are vacant at the time of application (if previously rented, the vacancy must have been tenant initiated and able to be verified).

Properties already available at an affordable rent or in locations where affordable supply is abundant are unlikely to be selected for the program.

If the property is being purchased and awaiting settlement, written settlement notification from a solicitor will be required.

Properties must also:

- meet minimum standards as per the *Residential Tenancy Act 1997* and be fit for purpose to suit the needs of the eligible applicants
- be adequately insured throughout the lease term and evidence of this insurance provided to CEH before signing the head lease and payment agreement and
- be available to rent for a minimum of 24 months.

Preference will be given to properties that are in high demand by applicants, ie one- and two-bedroom properties statewide, located close to major urban centres.

Properties that allow pets are encouraged.

Properties are not required to be furnished.

## National Rental Affordability Scheme properties

With the Australian Government's National Rental Affordability Scheme (NRAS) coming to an end, Homes Tasmania has amended the eligibility criteria for properties under the PRI.

Homes Tasmania will apply discretion for properties exiting the NRAS that are not new to the rental market and are tenanted at the time of application.

When an NRAS property owner is considering applying for the Private Rental Incentives Program, their current tenant must contact Housing Connect to be assessed for it.

NRAS properties will **only** have discretion applied to their application when current tenants are assessed as **eligible**. The tenant can then sign a sublease with CEH.

## Property approval process

There are two stages to assessing properties for the program.

An initial desktop assessment is conducted to confirm basic eligibility and demand for that property type and location.

The application details will be checked to ensure it is completed, including the signature of all property title holders.

CEH then undertakes a physical inspection of the property to ensure the property is fit for purpose.

Property approvals are driven by applicant demand regarding property location, size (number of bedrooms) and property type (standalone or conjoined). Approval of properties is at the discretion of Homes Tasmania.

Property assessments will confirm the program is displacing no existing tenants.

If a property is approved, the owner(s) will enter into a head lease and a payment agreement with CEH.

CEH is not required to pay a bond under a head lease agreement with the property owner. However, tenants will pay a bond under the sublease.

The average timeframe for the property approval and allocation process is four weeks.

Shared tenancies are not permitted under this program.

## Terminations

Both the head lease and the Residential Tenancy Agreement can only be terminated by the relevant party in accordance with the *Residential Tenancy Act 1997*.

The sale or transfer of a property is not a reason for termination of fixed-term tenancies.

## **Termination of residential tenancy agreement (sub-lease)**

CEH enters into a sub-lease with the approved applicant. If the sub-lease is terminated either by CEH or the tenant, CEH is responsible for finding another suitable, eligible applicant.

CEH will pay rent to the property owner while a sub-lease is in place, including during periods of vacancy.

## **Termination of head lease**

If the head lease is terminated either by CEH or the property owner:

- CEH tenancy management will cease
- weekly rental payments will cease
- incentive payments will cease and
- incentive payments will need to be repaid pro-rata in accordance with the payment agreement.

## Frequently asked questions

### **How does the incentive payment affect my income/pension and is the incentive taxable?**

It is recommended that you contact your financial advisor or Centrelink (where applicable) prior to submitting your property application form to discuss how the incentive payment may affect you.

### **My property is currently for sale, can I apply?**

No. Properties must not be for sale at the time of application.

### **What happens if I want/need to sell my property during the head lease?**

We appreciate circumstances may change for a property owner that requires them to sell their property during the term of the head lease.

If this situation arises, you must inform Homes Tasmania and CEH of your intention to sell the property and disclose to any potential buyer that there is a head lease in place for a fixed term. The new owner will be required to sign a head lease and payment agreement for the balance of the duration of the initial head lease.

Once a contract of sale has been signed, you must comply with the *Residential Tenancy Act 1997* notification periods. You must also inform Homes Tasmania and CEH of the expected settlement date.

A calculation will be made on the incentive payment received, and a pro rata amount will be required to be paid back to Homes Tasmania by the owner. Homes Tasmania will then pay the pro rata payment to Centacare Evolve Housing to disburse to the new owner.

### **I am building a property – can I apply for the program?**

No. We are unable to accept properties that are under construction. Property approval is also based on tenant demand at the time of property application.

### **My current tenant is on a low income, can I receive the incentive?**

No. Existing tenancies are not eligible for the program. The intent of the program is to increase choice for low-income Tasmanian in the private rental market.

### **Can I end my current tenancy so I can apply for the program?**

No. We will only accept vacant properties or recently ended tenancies that are tenant initiated. We will ask for proof to verify this, and several checks are conducted.

Tenancies can only be ended for the reasons set out in the *Residential Tenancy Act 1997*.

## **I know a person on a low income, can I rent my property to them directly through this program?**

No. Eligible tenants for this program must have an approved Private Rental Incentives Program application (completed with Housing Connect). CEH will then allocate tenants based on best fit for the property.

## **Why do I need to provide evidence of insurance (Certificate of Currency)?**

It is an eligibility requirement of the program that a property is adequately insured. This includes building insurance and cover for property damage by the tenant (landlord insurance). A Certificate of Currency must be sighted by and provided to CEH prior to signing the head lease and payment agreement. The required insurance must be maintained throughout the entire tenancy.

## **Who do I contact if there is an issue during the term of the lease?**

Your first point of contact to discuss any issues is CEH, who is managing your tenancy.

If you cannot resolve the issue, please contact Homes Tasmania's Private Rental Incentives Property and Planning Officer (contact details below).

The *Residential Tenancy Act 1997* outlines the legislative obligations for tenants and property owners.

## **More information**

**Website:** [www.homestasmania.com.au/Private-Rental/Private-rental-incentives](http://www.homestasmania.com.au/Private-Rental/Private-rental-incentives)

**Email:** [housing.privaterentals@homes.tas.gov.au](mailto:housing.privaterentals@homes.tas.gov.au)

**Phone:** Property and Planning Officer, (03) 6166 3625

***Residential Tenancy Act 1997 (Tas)*** (including property minimum standards)

[www.legislation.tas.gov.au/view/html/inforce/current/act-1997-082](http://www.legislation.tas.gov.au/view/html/inforce/current/act-1997-082)

**Consumer, Building and Occupational Services:**

[www.cbos.tas.gov.au/topics/housing](http://www.cbos.tas.gov.au/topics/housing)