

Policy:	Housing for Older Persons
Department:	Assets
Approved by:	Director Assets
Effective date:	March 2024
Next review date:	2025/2026
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## 1. Purpose

- 1.1 The purpose of this policy is to:
- Guide the provision and management of the housing units owned by Council.
  - Facilitate the allocation of Council-owned housing units, as they become available, to eligible persons in the district.
  - Provide a mechanism to establish the rental price for the units.
- 1.2 The purpose of housing for older persons in the Stratford District is to provide affordable housing for residents of the district, as per the Eligibility Criteria in Section 2.
- 1.3 Council's role is to maintain the current stock of housing units in a manner that supports the level of service required and meets all legislative requirements under the Residential Tenancies Act, as well as any other applicable legislation.
- 1.4 This policy establishes the:
- Eligibility criteria for applicants for housing for older persons.
  - Conditions of rental.
  - Rental charges and funding principles.

## 2. Eligibility Criteria

To be eligible to apply for any rental unit, the applicant must:

- 2.1 Be a single occupant.
- 2.2 Be able to live independently. This implies an active and independent lifestyle.
- 2.3 Be 65 years of age or older at the date of the application.
- 2.4 Have resided in the district for at least five years over the previous 20 years or have family who have been residing in the district, for at least the past two years.
- 2.5 Have a weekly income (from all sources), including NZ Superannuation, that does **not** exceed the adult minimum wage for a 30-hour week, current at the time of tenancy commencement.
- 2.6 Have total assets **not** exceeding \$20,000 in value at the time of tenancy commencement. Assets include cash, investments, shares, real property, or other assets. Excluded are one motor vehicle, furniture and personal effects, and a funeral plan to the value of up to \$10,000.
- 2.7 Be able to demonstrate that they are of good character and suitable to a communal living situation such as Council's housing units.
- 2.8 Shall be required to provide evidence, or a statutory declaration to this effect, to show that all relevant criteria are met.

### 3. Other Conditions of Rental

- 3.1 Council maintains a waiting list as per Section 5. If an applicant turns down a unit due to personal reasons but wishes to stay on the waiting list, they will be transferred to the bottom of the list.
- 3.2 Council has no obligation to accommodate applicants who meet the eligibility criteria if it has any concerns regarding their suitability.
- 3.2 If a tenant becomes less independent during their tenancy, to the extent that the unit is no longer able to adequately support their day to day living, the Council is under no obligation to make or authorise modifications to the unit. Any request will be decided on its merit at the time.

### 4. Funding Principles and Rental Charges

Council aims for its rent setting process to be fair and transparent to tenants as well as ratepayers. To achieve this goal, it utilises publicly available data to set the rents.

In the event that no market rental data for 1-bedroom units is publicly available, Council has established a process to calculate Target Rent directly from the market rental data for a 2-bedroom house as outlined in 4.2 below. The full rent setting process is illustrated in detail in Appendix 1.

A 2-bedroom house has been chosen as a basis as this information is consistently publicly available.

- 4.1 The following factors are set by council resolution. They are an integral part of the rent setting process and are a key focus of the regular review of this policy. A detailed explanation of each term is provided in the glossary in Section 7.

Target Rent: 75% of Market Rental Rate as of 1 April of each year.

Transition Period (for existing tenancies to reach full Target Rent): 5 years, as per the following table:

Description	Current Rental	Year 1	Year 2	Year 3	Year 4	Year 5
Start of new Target Rental Charge		1 July 2024	1 July 2025	1 July 2026	1 July 2027	1 July 2028
New Target Rental Percentage.	40%	47%	54%	61%	68%	75%

For new tenancies starting after 1 July 2024, the Target Rent stated in Section 4.1 (without Transition Period) will apply.

- 4.2 The following **Adjustment Factor** combines the multiple calculations required to establish the rent council charges for its housing units (Target Rent) from the publicly available market rental data for a 2-bedroom house into a single factor.

**The Adjustment Factor is: 52.5%.** This is re-calculated every time the Housing for Older Persons Policy is reviewed.

Calculation:

(Published rent 2-bedroom house) X (Adjustment Factor) = Target Rent

This factor does not take into consideration the impact of the Transition Period.

- 4.3 No bond is charged.
- 4.4 Rents must be paid no less than 2 weeks in advance.
- 4.5 During the Transition Period rents for existing tenants will be increased by an equal percentage of Market Rental Rate each year.
- 4.6 The operational costs of the Housing for Older Persons activity will be funded as per the Council's Revenue and Financing Policy.

## 5. Waiting List

- 5.1 Vacancies will be filled from a waiting list of eligible applicants, based on date of application.
- 5.2 The waiting list will be reviewed annually. Applicants will be contacted to confirm if their applications are still current and valid. Council reserves the right to remove the applicant from the list if it is unable to confirm an application.

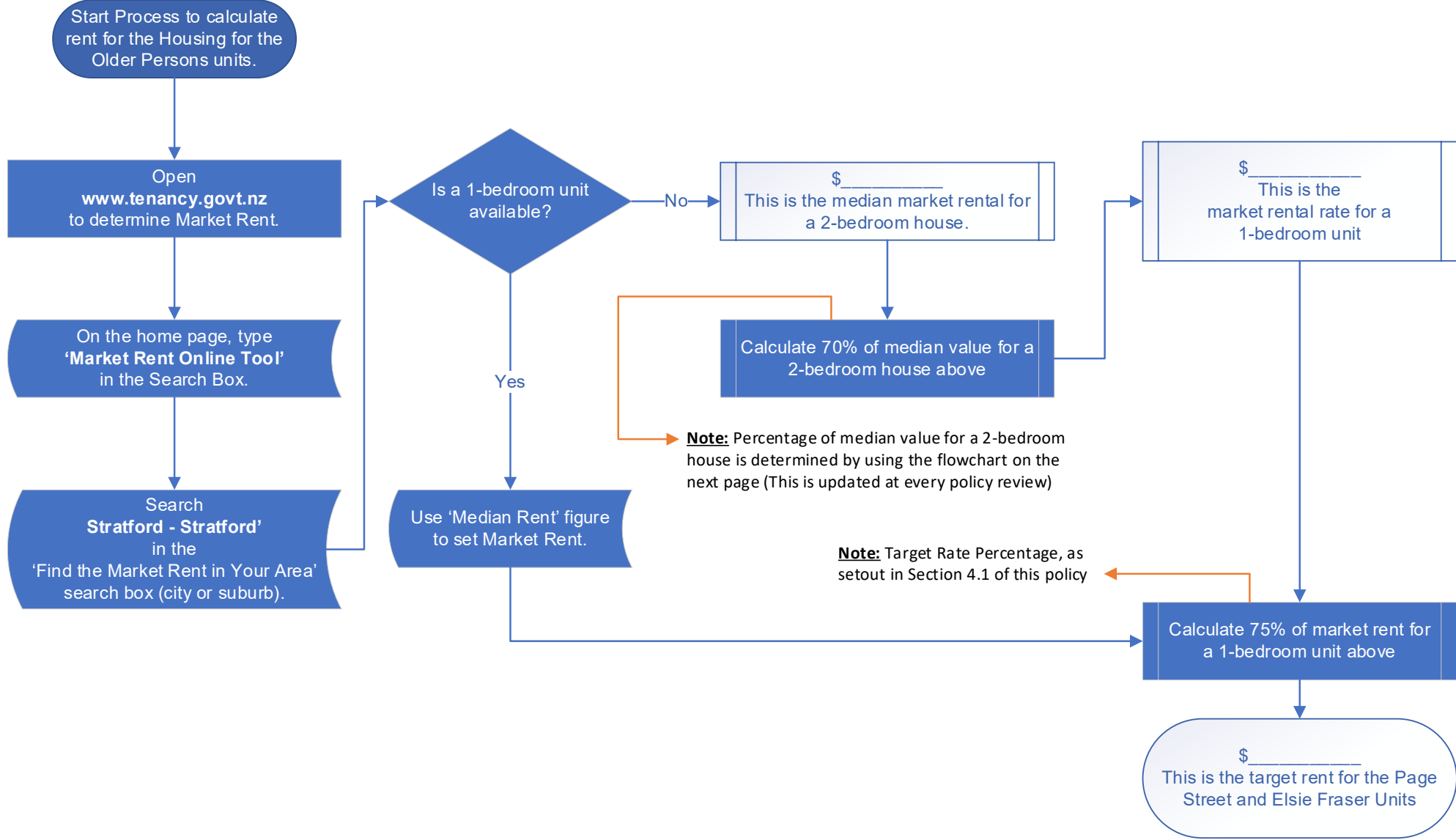
## 6. Tenancy Agreement

- 6.1 The tenancy shall be subject to the Residential Tenancies Act 1986, including all versions and amendments.
- 6.2 The Tenant shall read and sign a Tenancy Agreement prior to taking occupancy of the assigned housing unit.
- 6.3 The Tenant shall observe to comply with all terms and conditions stated in the signed Tenancy Agreement.

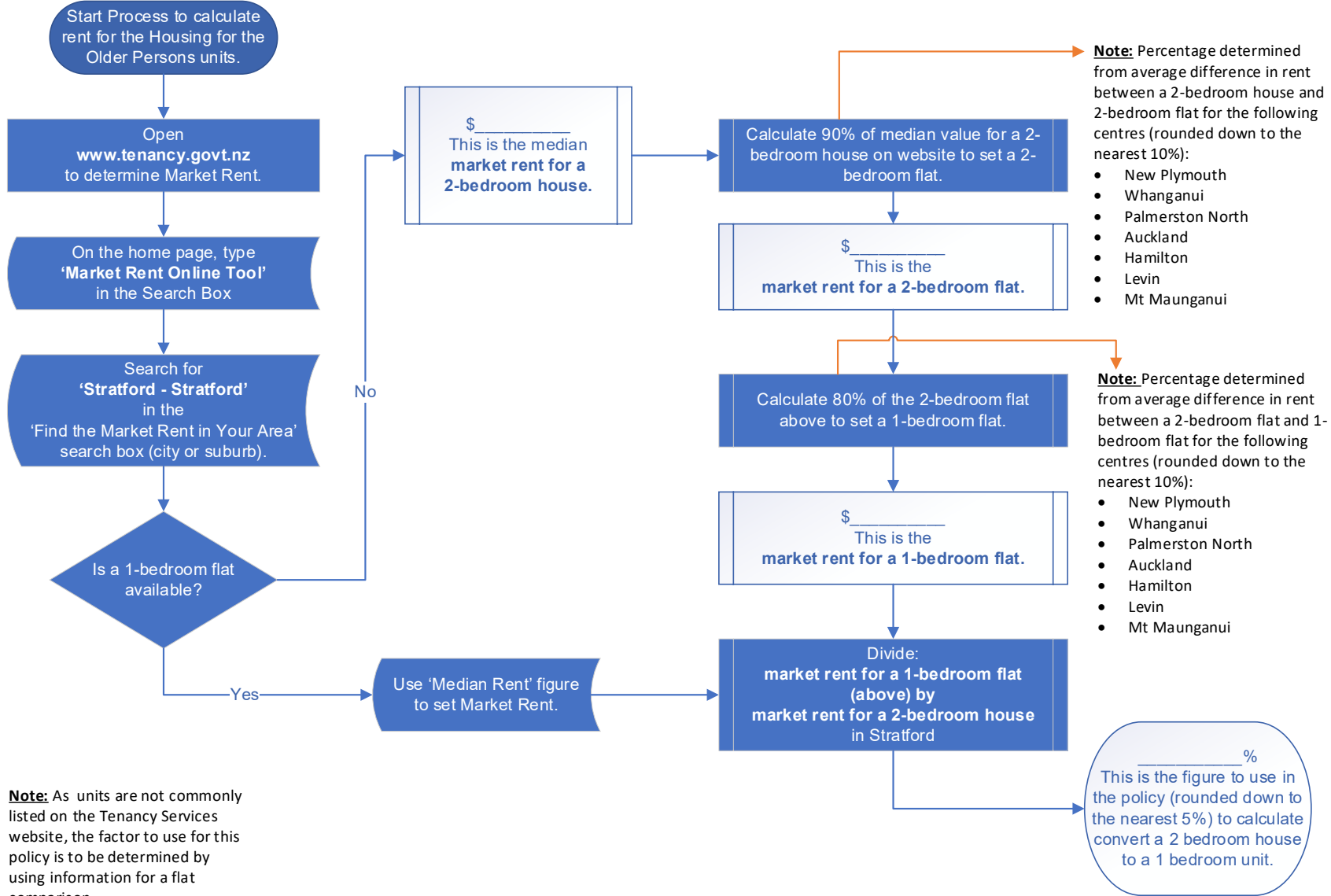
## 7. Glossary

Actual Rent	Weekly rental charged per housing unit. This can vary between tenants. Upon completion of the Transition Period, Actual Rent for all units will align with Target Rent.
Adjustment Factor	Factor taking into account all adjustments to calculate the Target Rent for a council owned unit. This factor combines all conversion rates applied in Appendix 1 into a single factor. This factor is reviewed as part of every policy review. It does not include the steps applied during a Transition Period. $(\text{Published Rent 2 Bedroom House}) \times (\text{Adjustment Factor}) = \text{Target Rent}$
Market Rental Rate	The weekly rental amount that a unit equivalent to the council owned housing units would attract in the private market. Methodology as per flowchart in Appendix 1.
Target Rent	Weekly amount Council aims to collect per unit as a percentage of Market Rental Rate. Existing tenants are transitioning towards this figure over a number of years (the Transition Period). The Target Rent is the rental figure new tenants start their tenancy on. As Target Rent is expressed as a percentage of the Market Rental Rate it moves with the rental market.
Transition Period:	Period over which rents will be increased to reach Target Rent. This only applies to tenants whose tenancy predates the establishment of this policy and whose Actual Rent is below the Target Rent. This does not apply to annual rates reviews for tenants on Target Rent.

Annual Rent Setting Process (D24/10257) for 1 April of every year.



**Calculating the percentage factor for the conversion from a 2 bedroom house to a 1 bedroom unit (to be reviewed every 3 years).**



**Note:** As units are not commonly listed on the Tenancy Services website, the factor to use for this policy is to be determined by using information for a flat comparison.