

# Rental Housing Policy

Reviewed 14 February 2011

## [A] Purpose

To provide guidelines for the sound management of the rental housing stock, ongoing maintenance requirements, upgrading needs, debt servicing, rent levels and reviews and the needs of tenants.

## [B] Background

The majority of the rental units were built with government assistance in the form of low interest loans and grants. The former Greymouth and Runanga Borough Councils and the Grey County Council all participated in the government programme to a greater or lesser extent.

In 1993 the government withdrew its subsidised assistance and progressively moved all outstanding loans to full market rates. This resulted in loan servicing costs increasing with the need to subsequently increase rentals for tenants to offset increased debt servicing costs.

Rentals are still below private market rates and are sufficient to meet the cost of maintaining stock and debt servicing requirements without the need to seek top up funding from general rates. No provision for depreciation of the housing stock is provided for in the current rent levels.

Demand for the units has varied over the years with the number of people on the waiting list ranging from only a few to the current number of 32 over 60 years of age and 17 under 60 years of age.

Council owns 109 one-bedroom units and 9 double bedroom units.

## [C] Principles

1. There is a need to retain a core stock of housing units to meet the current needs of disadvantaged elderly persons. Ownership of housing stock shall rest with Council or another appropriate elderly persons social service provider on condition that similar terms and conditions are available to tenants.
2. Housing stock shall continue to be available for rental at below private market rates.
3. Council's investment in its rental housing portfolio will continue to be self-funding with no contribution from rates being required or expected.
4. All surplus income over expenditure in any year being transferred to the Rental Housing Maintenance Special Fund or, alternatively, applied to retire existing debt provided sufficient reserves funds are held to cater for medium term maintenance requirements.
5. The Housing Portfolio contributes a sum of \$20,000+ to Council in lieu of rates and administration costs.
6. Applicants who decline the offer of a rental flat when one becomes available will be moved to the bottom of the waiting list.
7. Applicants who decline the offer of a rental flat twice will be removed from the waiting list and will need to reapply for a flat if they still wish to be considered.

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## [D] Eligibility Criteria

1. The primary focus will be to provide housing for older people, i.e. 60 years of age and older.
2. The secondary focus will be to accept tenants between the ages of 50 and 60 years with preference in this group being extended to those people who are government income-tested and/or who have special needs.
3. Generally persons under the age of 50 will not be considered as tenants unless there is a case for "special needs" as per 2) above.
4. To be eligible for consideration, applicants must not have more than \$150,000 in property, in the bank or in investments. The equity in family trusts will be taken into consideration when assessing eligibility.

**Note 1:** The rationale for 3) above is that the disparity in ages may not be compatible to a harmonious village environment where the majority of the residents will be within similar age brackets, i.e. 60 years+.

**Note 2:** Should an urgent need arise and the applicant does not meet the eligibility criteria above, then applicants may be screened by a committee of Council/elected representative/s with advice from a senior staff member. Applicants may be required to attend an interview with the committee.

## [E] Maintenance of Units

### [1] Exterior Maintenance

Maintenance will be contracted to an external service provider/s which is currently based on a seven year cycle involving a full repaint in year one with annual follow-up inspections by the contractor/s for paintwork touch-ups, washing down of all exterior surfaces, and removal of moss and algae growth over the following six years. This ensures that the units retain a fresh and clean appearance in between repaints. An added advantage of a rolling programme is that accurate exterior maintenance costs are known some years in advance.

### [2] Interior Maintenance

Responsibility for arranging interior maintenance needs is also contracted out to an external provider with tenants able to contact an 0800 number directly to arrange for urgent repairs such as burst water pipes, electrical faults etc. Major interior redecorating or upgrading work will normally be scheduled for periods in between tenancies to avoid unnecessary disruptions to tenants.

In cases where a unit needs to be redecorated or upgraded and a tenancy remains in place, then the tenants will be provided with a minimum of 14 days advance notice so that they can make alternative arrangements to stay with relatives or friends, or be temporarily relocated into another vacant unit/s within the same housing complex if this is practicable.

### [3] Grounds Maintenance

Council will mow lawns and landscaped areas and gardens which it has provided. Tenants may develop small plots for vegetables or plants at their cost adjacent to their units. If these plots are subsequently no longer required, the areas will be reinstated in grass or bark.

## [F] Rent and Rent Reviews

Rent levels are reviewed annually and consideration will be given to adjusting them in line with the movement in the Consumer Price Index (CPI).

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On the commencement of a new tenancy, rent is to be paid two weeks in advance and ongoing rental is to be paid by direct debit. Rent must remain in advance by two weeks during the length of tenancy. This amount will be refunded to outgoing tenants if no damage has occurred during the term of their tenancy. Normal fair wear and repairs are excluded from the definition of damage.

## **[G] Debt Servicing**

Current debt outstanding is \$1,103,000. This level of debt will progressively be reduced at each maturity date by retiring a portion of the principal ex the Loan Repayment or Rental Housing Special Funds Reserves. Targeted reduction levels shall be \$200,000 every five years.

## **[H] OCCUPANCY LEVELS**

Achieving maximum or close to maximum tenancy levels at both Dobson and Runanga complexes may become a longer term problem because of the lack of affordable public transport and the distance to the main service centre of Greymouth.

Similarly, demand for units in Greymouth and Blaketown may also lessen in the future.

## **[I] Contents of Units/Insurance**

Units are provided with electric stoves, a heater of sufficient capacity to warm the main living areas and outlets for washing machines. All other fittings such as refrigerators, washing machines, clothes dryers, additional heaters, etc. are the responsibility of the tenants.

Carpets and drapes are also provided by tenants and it is common practice for outgoing tenants to negotiate with incoming tenants on the purchase of these. Should incoming tenants wish to provide these items themselves, or if agreement is unable to be reached on the existing carpets and drapes, then outgoing tenants shall remove the carpets and drapes when their tenancies end.

Council insures the units for replacement value and tenants are responsible for arranging insurance cover on their furniture and contents. Tenants will be required to arrange for and keep their own insurance protection in place and evidence of this will be a pre-requisite for renting a flat.

## **[J] Conditions of Tenancy**

- Tenants are required to have insurance in place at all times for their personal affects and belongings.
- The keeping of animals (cats and dogs) is not permitted.
- Smoking in the units is not permitted.
- Damage caused by the installation of heat pumps or other personal items in units must be made good in a professional manner if these items are removed at the end of the tenancy.

## **[K] Welfare**

Council acknowledges its role as landlord and, as such, it will be accessible, attentive and diligent towards the general welfare of its tenants.

This will not extend to the provision of social services to tenants as it is beyond Council's role and skills base. These services are better provided by other professional service providers.

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Council reserves the right to consult with health, social, welfare and other professional providers where tenant concerns and difficulties arise outside of Council's expertise.

## **[L] Implementation**

The Support Services Division are responsible for the implementation of this policy which includes, but is not limited to:

- Tenant selection and placement.
- Recommendations to the Allocation Committee.
- Routine and programmed maintenance and upgrades.
- Emergency maintenance response (in conjunction with the external contractor).
- Tenants' disputes resolution/need for health professionals.

## **[M] Review**

This policy will be subject to periodic review.

## **[N] Appendices**

1. Description and Location of Housing Units

## SCHEDULE OF PROPERTIES AT 1 JULY 2011

NAME	LOCATION	Year Built	No. of Units	Type
	<b>Blaketown</b> Achilles Street Blake Street Reid Street Reid Street	1976 1976 1976 1958	4 8 5 8	Single Single Single Single
Noia Neate Flats Dr Harry Ray Flats <i>Note (1)</i> Ossie Jackson Flats	<b>Greymouth</b> Blackmore Street Cowper/High Streets Murray/Alexander Streets Ngarimu/Frickleton Streets	1989 1989 1987 1979	15 14 6 24	Single 12 Single 2 Double Single 17 Single 7 Double
Skoglund Flats Greenslade Flats	Shakespeare Street Threadneedle Street	1988	5 10	Single Single
Tom Teasdale Flats Roy Wylde Flats	<b>Runanga</b> Duncan Street McGowan Street		4 6	Single Single
Duncan Wylie Flats	<b>Dobson</b> State Highway 7		9	Single
	TOTAL RENTAL PROPERTIES		<b>118</b>	

**Note (1)** 10 units were built by Council in 1989 with the remaining 4 units (2 single and 2 double) being ex motel units purchased to complement the existing stock.