

Calculation of Rent

Fact Sheet



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How is my Rent Calculated?

The Market Rent for your property forms the basis for the calculation of your rent. The Market Rent for your property is reviewed each year. It is based on similar properties in the private rental market.

The rent that you actually pay is:

Based on a percentage of:

(1) Your Assessable Household Income

OR

(2) The Market Rent for your property;

PLUS

- any Levies for utilities provided by the Association;
- 100% of your Commonwealth Rental Assistance where applicable; and

What is meant by Assessable Household Income?

In calculating the amount of rent that you should pay, the Association takes into consideration all income from all sources that come into your household. For example this includes:

Most Centrelink payments	Pensions	Overseas pensions
Superannuation	Child maintenance	Most Veteran's Affairs benefits
Wages & salaries	Overtimes	Allowances
Bonuses	Commissions	Interest or other investment returns
Self-employment income	Any other income paid to you and all other household members	

The total of all these sources of income determines your *Assessable Household Income*.

What is my Maximum Rent?

The Maximum Rent that you are required to pay is **the lower** of the *Market Rent* **OR** a percentage (from 24% to 25%) of your *Assessable Household Income* **PLUS** 100% of your *Commonwealth Rental Assistance* (CRA) entitlement, **OR** for a number of properties, 74.9% of the *Market Rent*. If you fail to provide details of your *Assessable Household Income*, you will be charged Market Rent.

Levies for Utilities

When the Association provides utilities such as heating, furniture and equipment etc., levies will be added to the calculation of your rent.

Why does the Association take my Commonwealth Rental Assistance?

The Association strives to provide you as a member with the most affordable rent possible. To achieve this outcome we collect 100% of Commonwealth Rent Assistance. This helps us to provide you with a rebate and only charge 25% of your income rather than you having to pay market rent.

What is the Rental Rebate?

The Rental Rebate is a subsidy by the Association. If you are not paying the Market Rent for your property then the Association actually subsidises your rent by the *difference* between the *Market Rent* and the *Maximum Rent* that you are required to pay.

For example, if the Market Rent for your property is \$210 per fortnight and your Maximum Rent is \$100 (i.e., 25% of your Assessable Household Income of \$400 per fortnight), then with your CRA component and any levies, the Rental Rebate provided to you by the Association would be \$18.80 as calculated below:

Market Rent (plus Levies of \$20)	\$230.00
Less Rent (25% of \$400 <u>plus</u> CRA of \$93.00)	\$192.80
Levies (not applicable to all)	<u>\$20.00</u>
Total Rent, CRA and Levies Payable	<u>\$211.20</u>
Rental Rebate by the Association	<u>\$18.80</u>