

Transitional Housing Reform

The Community and Private Market Housing Directorate is implementing a reform for Transitional Housing managed by Specialist Homelessness Services

Properties covered by the reform

The Transitional Housing Reform applies to all Transitional Housing properties managed by Specialist Homelessness Services.

Transitional Housing properties provide interim accommodation (generally from three to eighteen months) for people that are experiencing homelessness or people who are at risk of homelessness.

This includes:

- properties leased from the NSW Land and Housing Corporation for the purpose of Transitional Housing, under a Community and Private Market Housing Directorate program

and

- properties leased from a private landlord for the purpose of Transitional Housing, with funding from a Community and Private Market Housing Directorate program.

This **does not** include:

- properties leased from the NSW Land and Housing Corporation for the purpose of Crisis Accommodation
- properties leased from the NSW Land and Housing Corporation under public housing community lease initiatives

or

- any other properties leased from the NSW Land and Housing Corporation on an interim basis such as properties identified for redevelopment.

New rent policy – 1 January 2014

Application to new tenancies

From 1 January 2014 new tenants of Transitional Housing must be charged rent in accordance with the [NSW Community Housing Rent Policy](#). The subsidised rent for **all new** tenancies must be based on a percentage of assessable income plus 100% of the household's entitlement to Commonwealth Rent Assistance (CRA). This is subject to the qualification that the subsidised rent, including CRA, does not exceed market rent.

Application to existing tenancies

New tenant refers to a tenant household entering into a resident or tenancy agreement with the Service for the first time. It does not mean an existing tenant that is entering into a new lease following the expiry of a fixed term lease.

The rent policy can be applied to existing tenancies that commenced prior to 1 January 2014, where the out-of-pocket amount the tenant household pays in rent does not increase.

Eligibility

There is no change to eligibility for Transitional Housing – as per the [NSW Community Housing Eligibility Policy](#) – to be eligible a person must be experiencing homelessness or be at risk of homelessness and must require immediate housing and support.

Resident and Tenancy Agreements

The [NSW Community Housing Access Policy](#) requires that an appropriate agreement must be in place for all residents and tenants of Transitional Housing, setting out the terms and conditions of the residency or tenancy. This will generally take the form of a Residential Tenancy Agreement.

Adjustment of leasing subsidy

Where a Transitional Housing property is leased from a private sector landlord with funding from the Community and Private Market Housing Directorate, the leasing subsidy will be reduced where additional rental income is collected. Payment of the leasing subsidy is based on the actual difference between rent collected and the private market rent paid and therefore will be adjusted as a matter of course.

New property management responsibilities – 1 July 2015

From 1 July 2015 Specialist Homelessness Services managing Transitional Housing properties leased from the NSW Land and Housing Corporation must undertake the property management functions.

Property management costs

Property management costs include:

- responsive maintenance - works that need to be attended to as they arise to ensure the premises are in working condition, it includes repairing tenant damage e.g. reglazing broken windows, clearing blocked sewers
- planned maintenance - work that can be anticipated in advance and can be scheduled when it becomes due, it includes responding to general wear and tear of the premises e.g. painting, carpet replacement, bathroom renovations
- other property outgoings such as the payment of council rates, water charges and insurance.

Property management costs **do not** include:

- structural maintenance - work to repair damage to the whole, or part of the building fabric, including the walls (internal and external), roof area, frame,

flooring, footings and piers (this continues to be the responsibility of the Land and Housing Corporation as the landlord)

- furnishings for the properties
- energy costs to cover electricity, gas bills etc (not including common area costs).

Requirements for property management

The [NSW Community Housing Asset Management Policy](#) sets out the requirements for managing and maintaining assets.

Use of rental income

Rental income from Transitional Housing must be used to cover tenancy and property management costs. If there is any surplus income after these costs have been met then providers can use these funds to enhance outcomes for tenants.

If rental income does not cover the tenancy and property management costs for Transitional Housing managed by a Specialist Homelessness Service, the Community and Private Market Housing Directorate will be working with the Service prior to 1 July 2015, to implement an appropriate approach to support Services to meet these costs.