

Policy for Rent Saver Programme Eligibility Criteria and Parameters – 1.6

June 2022

Background:

The primary goal of the Rent Saver (RS) programme is to provide affordable, secure tenure in decent quality homes to moderate income households, with an attached incentive encouraging households to save for a deposit.

Policy:

Eligibility Criteria

1. The maximum household income for the RS programme is set at Band Level 6. The targeted income ranges for applicants of this programme is Band Levels 5-6 of the AMI*.
2. The property must be used exclusively as the household's primary residence, i.e. it is not to be used as a second home or holiday house.
3. Households cannot vacate the property for more than four weeks of the year without QLCHT permission.
4. Applicants cannot own, or have a financial interest in, any other property.
5. Households must have been in the district minimum 6 months.
6. Within each household at least one member is a New Zealand resident or citizen.
7. Within each household at least one member must be employed in full time employment in the Queenstown Lakes District (minimum 30 hours per week average).

Setting of rental

8. Rent setting will be applied uniformly across all RS Households - unless different criteria are applied and/or otherwise agreed for separate housing/rental projects.
9. AR rents will be set as per QLCHT's approved market rents.
10. Research of local market rents will be carried out annually across a number sources, with QLCHT rents being set in the lower quartile for each area.
11. Each RS tenancy will have their rent reviewed annually and adjusted to match approved QLCHT rents.

Programme Parameters:

12. All RS households will sign up to QLCHT's *Rent Saver Residential Tenancy Agreement* and *Rent Saver Agreement*.
13. The *Rent Saver Residential Tenancy Agreement* provides a 5-year fixed term lease. At the end of the 5-year lease, the tenant will have a progression opportunity to transition along the housing continuum to QLCHT's assisted ownership programme, in the same property. This opportunity will be valid for a 3-month period, after which time if not accepted, all programme incentives will be removed.
14. The *Rent Saver Agreement* is to encourage households to save for a deposit on a home. The agreement provides a savings incentive, whereby a savings goal is set with the household, which QLCHT match each year on evidence of meeting the savings goal. QLCHT's savings contribution is a maximum of \$50 a week, for a maximum of five years.
15. QLCHT's savings contribution will be held by QLCHT and is only available to be used towards the purchase of a property, through QLCHT's assisted ownership programme. Should the household exit their relationship with QLCHT before transitioning to assisted ownership, the savings contribution will cease to exist.
15. RS tenants are required to pay a bond equating to 4 weeks rent.
16. Allocation of RS properties will be based on length of time on the waiting list, in line with QLCHT's Allocation of QLCHT Properties Policy (9.15).
17. Once a household transitions to assisted ownership, the terms of the RS programme will cease and be replaced by the full terms of the assisted ownership agreement.
18. All RS households will be subject to QLCHT's Housing Management Policies as detailed in QLCHT policy 9.3.
19. Any changes to the Residential Tenancy Act may override the parameters and rules established within this policy.

* AMI refers to the Queenstown Lakes Area Median Income (the midpoint of the region's income distribution where half of the households in a region earn more than the median and half earn less than the median). The AMI is adjusted annually by the average wage inflation rate, or as published by Statistics New Zealand. QLCHT's household income table outlines the various Band Levels for assessing eligibility.