

16. BECKENHAM HOUSING TRUST RENTS

Officer responsible Property Manager	Author Rob Dally, Property Manager, DDI 941-8500
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The purpose of this report is to apprise Councillors of a rent increase intended by the Beckenham Community Housing Trust (BCHT) for the 11 units of social housing known as Lancewood Courts, Beckenham.

BACKGROUND

The Council has a social housing partnership with the Beckenham Housing Trust whereby the Council has built 11 housing units on land leased from the BCHT at a peppercorn rental, and where the BCHT fitted out the units and landscaped the grounds.

The BCHT have a Property Management Agreement with the Council and manage the units on a day to day basis including a high level of pastoral care.

An independent Tenant Satisfaction Survey commissioned by the Council in 2002 concluded that 100% of tenants found that their housing arrangements were either very satisfactory or excellent; this compared favourably with the 94% response from Council tenants.

The current rents were set at \$100.00 per week in August 2000 for one bedroom units with a high level of fitout, and have been at that level ever since.

CURRENT SITUATION

The Property Management Agreement that the Council has with the BCHT states (with regard to rentals) that "*all such rentals to be 80% of current market*". Therefore the Council is contractually bound to allow rentals to be set at 80% of market. The agreement does not have any flexibility in that regard.

The BCHT have provided statistics from Tenancy Bond Services (the Government agency that collects rental bonds throughout New Zealand) showing that for the Beckenham Area, the Upper Quartile rent for a one bedroom flat is \$135.00 per week. Eighty per cent of that figure is \$108.00 per week.

The BCHT have advised that it is their intention to move to the new rent level of \$108.00 per week from the first rental period in July 2003. The BCHT have also confirmed that all tenants are eligible for the Government's accommodation supplement (an adjunct to the Tenancy Selection Criteria) which means that an additional \$6.00 per week subsidy will be available to all tenants leaving a net increase of \$2.00 per week.

As a comparison, similar quality one bedroom Council units, without garaging, are in the rental range of \$95.00 per week.

Staff

Recommendation: That the information be received.

Chairman's

Recommendation: Not seen by the Chairperson.