



24. 4. 2003

**REPORT BY THE CHAIRMAN OF THE
COMMUNITY AND LEISURE COMMITTEE**

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. CITY HOUSING – RENT REVIEW

Officer responsible Property Manager	Author Rob Dally, Property Manager, DDI 941-8500
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The purpose of this report is to seek approval to apply “new” rents for City Housing units to new tenancies from 25 April 2003.

BACKGROUND

A comprehensive report covering the review of City Housing rents and with a recommendation for modest increases is being considered by the Council at its 24 April 2003 meeting. That report and recommendations covers existing tenancies and new tenancies from the first rental period in July 2003.

When putting in place a process to manage a variety of rent increases across the varied physical portfolio, it was realised that the treatment of new tenancies from the date of the Council decision to increase rents (24 April) and the commencement of the first rental period in July, had been overlooked in terms of dealing with the pending increases.

THE ISSUE

The Residential Tenancies Act puts a 180 day restriction on rent increases from the commencement of new tenancies. This means that if we start new tenants during the months of May/June 2003, at current rentals, we will need to wait 180 days from the commencement of those new tenancies, before we can move the rent to the level existing tenants will be paying effective from the first rent period in July. This is clearly inequitable, and very much so the closer to July the new tenancies start.

THE SOLUTION

It would be sensible to further qualify recommendation 1. in the main City Housing Rent Review report by qualifying that recommendation for existing tenancies and to further amend that recommendation to cover the period May/June for new tenancies.

Staff

Recommendation: That recommendation 1 in clause 2 of the Community and Leisure Committee’s report of 7 April 2003 be deleted and replaced with the following amended recommendation:

1. *That the proposed new rentals as detailed in Table 1.7, be adopted:*
 - (a) *for existing tenancies, effective from the first rental payment date in July 2003 and*
 - (b) *for new tenancies, effective from 25 April 2003*

With the exception of the studio and bedsit rentals that are instead to be increased by way of a stepped rental increase over three years, as detailed in Option 2, Appendix 1.

Chairman’s

Recommendation: That the above recommendation be adopted.