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## Affordable Housing

### Overview

This policy explains how we will manage affordable housing so that we:

- Aim to reduce levels of housing stress by providing discounted rental accommodation to people on very low to moderate incomes who may otherwise have difficulties securing and maintaining housing, priced so tenants are able to meet other basic costs such as food, clothing, transport, medical care and education
- Provide sustainable, safe and affordable housing as a foundation for customers to connect to opportunities and build their communities
- Act in line with our organisational vision and values
- Ensure a fair and transparent process
- Meet our responsibilities under relevant law, guidelines and our agreements with Capital Partners and local councils
- Ensure that rent revenue is sufficient to cover the costs of the affordable housing portfolio

### Scope

This policy applies to affordable housing tenancies managed in NSW by St George Community Housing and its subsidiaries (**we, our and us**). It does not apply to properties that are managed under contract or agreement with a third-party capital partner, where a separate Policy is in place.

### Definitions

#### Affordable housing

Affordable housing is housing for people on very low, low and moderate incomes as defined by the NSW [Affordable Housing Ministerial Guidelines](#).

#### Market rent

Market rent is the rent that would be charged for the property if the rent wasn't discounted.

### Relevant laws, guidelines and agreements

We will manage our affordable housing in line with the following laws, guidelines and agreements:

- *Residential Tenancies Act 2010 (NSW)*
  - [NSW Affordable Housing Ministerial Guidelines](#)
  - National Rental Affordability Scheme (NRAS) Policy Guidelines and rules
  - *State Environmental Planning Policy 2021 (NSW)*
  - Australian Tax Office requirements for the GST free supply of long term rental accommodation
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- Our agreements with the owners of affordable housing such as councils and developers
- Contractual requirements

## Eligibility

All applicants must:

- Be an Australian citizen or permanent resident. This criteria applies to affordable housing that is funded by the NSW government only.
- Be a resident in New South Wales
- Prove their identity
- Be able to meet their responsibilities as a tenant, with or without support
- Be paying back any money that they owe to Homes NSW or a community housing provider
- Usually, be 18 years of age or older
- Meet the income eligibility requirements.

Some specific affordable housing programs may have additional requirements that applicants need to meet to be eligible.

## Income Limits

A household's gross income must be equal to, or below, the moderate-income level for the household type. These are different for each program and are reviewed each year. For more information, refer to the [NSW Affordable Housing Ministerial Guidelines](#).

Income eligibility limits may vary by affordable housing program. Please refer to Appendix 2 for information about eligibility limits by program.

An applicant's income must be enough to ensure an affordable housing outcome.

## Assets

Applicants or household members cannot have assets that could help resolve their own housing needs. This includes a large amount of savings, property, shares or investments. This does not stop people from saving a deposit for a home.

In some circumstances, for customers who have disclosed assets that may resolve their own housing need, we may offer an initial lease of 6-months. This is assessed on a case-by-case basis and determined by the level of the household requirements and need at the time of applying for housing. At the end of the initial lease term, the household must demonstrate what they have achieved in line with the purpose of the program to be considered for a further and final 6-month lease.

## Housing need

Applicants must show they need housing and cannot resolve their own housing needs without support.



## Other requirements

Other rules may apply depending on the program, which will be communicated to applicants. These may include:

- **Connection to the area:** Applicants might need to show that they have a connection to the area where the housing is. This may include family, social supports, education, training, or work in the area.
- **Current housing arrangements:** People that currently live in social or affordable housing or have lived in affordable housing in the past are not eligible for some programs.
- **Current employment:** There may be rules which prevent our employees, employees of the property owners, and their families from applying for housing. For properties that we own, or programs that allow employees to be housed, we may offer housing to employees if they meet the eligibility rules and if it is approved by our CEO.

## Assessment of applications

We will review information given to us to assess if a person is eligible for housing. If an application is missing information, we will contact the person and tell them what they need to provide to complete their application and by when. We cannot review an application until we have all the required information. If we do not receive all of the information by the date provided, we will close the application.

The information and evidence submitted with the application should outline why the Affordable Housing Program will be of benefit to the household based on the purpose of the program.

## Allocations to vacant properties

We will allocate properties to people who meet the criteria for each program.

We need to make sure that the programs can keep operating and that rent is affordable for tenants. To do this, we will assess whether a person can pay the rent before we offer them housing.

We generally allocate affordable housing using our allocation criteria outlined in Appendix 1 – Allocation Criteria.

For some programs, we will allocate affordable housing properties to people who are on the NSW Housing Register.

## Property offers

When we make an offer, we will:

- Make sure that the type and location of the property meets their needs based on the information received from applicants
  - Give people 24 hours to think about an offer
  - Explain the lease term, continued eligibility requirements and any specific property information
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- Explain any relevant rules which apply to the property.
- Tell the applicants from the NSW Housing Register that:
  - If they accept the property, their social housing application will be closed.
  - If they decline the property, it will not be classified as an offer.

## Start of Tenancy

When a person accepts an offer, we will ask them to sign a tenancy agreement. The initial tenancy agreement will last for 6-12 months with the maximum lease tenure dependent on the program guidelines. The person must sign a tenancy agreement within 3 business days of accepting the offer unless we agree otherwise.

Before a lease agreement will be arranged, the person will need to be able to pay 2 weeks rent and, in most cases, 4 weeks bond when they sign their tenancy agreement. Bonds will be managed in line with our legal duties. In some circumstances the Lead or Head of Region, Customers - Services may accept that a bond will not be paid.

## Rent

Rent is usually 74.9% of the market rent or charged at 30% of gross household income. See Appendix 2 for specific rent setting rules by program.

Very low income households allocated Social Housing Eligible (SHE) affordable housing from the NSW Housing Register will pay 30% of assessable income, plus all the Commonwealth Rent Assistance they are entitled to receive, capped at 74.9% of the market rent. Family Tax Benefit, Youth Allowance and other forms of income will be charged at the rates set out in the [Community Housing Rent Policy](#).

If a property remains vacant for an extended period, we may reduce the advertised rent.

We will inform people of the rent they have to pay when we offer them a property.

## During the Tenancy

### Review of market rent

We will review the market rent once a year and any other time in line with agreements or contractual requirements. To determine the market value of our properties, we will conduct an external independent valuation. If the market rent is going to change, we will inform our tenants in line with our legal duties.

### Rent increases

Rent can only be increased once in any 12-month period. Any rent increase will not be more than 10% (unless approved by SGCH Group CEO) and/or exceed 74.9% of market rent.

### Continued eligibility

To remain in affordable housing, households must continue to meet the eligibility criteria which includes demonstrating an ongoing housing need. That is, applicants or household members cannot have assets that could help resolve their own housing requirements.

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Each program has different criteria that tenants need to meet to be able to keep living in the property. The rules also state the maximum time that a person can live in a property.

We will review a tenant's situation before their tenancy agreement ends and determine if they can continue living in the property. This will include asking the tenant to provide current proof of the household income and evidence of what they have achieved towards resolving their own housing need.

If a tenant is no longer eligible for the program, we will explain their options to them and may end their tenancy in line with section 87H of the *Residential Tenancies Act 2010* (NSW) – 'Tenant no longer eligible for affordable housing scheme'.

If an affordable housing tenant wants to apply for social housing, they must follow the normal Housing Pathways application process.

### Property Transfers

Tenants can apply for a transfer to other affordable housing properties if they meet the criteria for that program. Tenants will need to submit a new application and provide current supporting documentation if they want to be considered for a transfer to another affordable housing program. We will manage transfers using the rules for each program. This will be treated as a new application.

If the tenant leaves the property permanently, remaining household members can apply for affordable housing if they meet the criteria for the program. If eligible, the household member may be able to remain in the same property.

### Additional household members

Tenants must ask for approval in writing if they want someone else to live in the property.

When we receive a request for someone else to live in the property, we will look at:

- Whether the household will still meet the criteria for the program
- Whether the property is suitable.

An additional household member wanting to assume the lease will need to confirm their eligibility for the relevant affordable housing program.

### Ending a tenancy

We will always meet our legal, regulatory and contractual obligations when giving notice to end a tenancy.

We will give notice to end the tenancy in writing. The notice will be sent in the mail, hand delivered or put in the person's mailbox. If the tenant has nominated an email address for service, we will serve notices by email to the email address provided. Where required, we will provide relevant supporting documents or information as part of the notice.

We will give tenants the required notice period when ending a tenancy. The required notice period will depend on the reason for ending the tenancy, type of tenancy agreement and the length of that agreement. More information about minimum notice periods can be found on the [NSW Government website – Minimum notice periods for ending a residential tenancy](#).

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We may decide to end a tenancy for the reasons outlined below.

### **The tenant has breached the rules of their Residential Tenancy Agreement**

Through working with our customers and support partners, we aim to achieve sustainable tenancies as a foundation for customers to connect to opportunities and build their communities. We will support the tenant to address any issues before we decide to end a tenancy. We will only end a tenancy when our tenant:

- Has broken the rules of their tenancy agreement more than once
- Where there is a serious breach of the tenancy agreement
- When there is severe illegal activity
- Where there is serious or ongoing antisocial behaviour or property damage.

### **The tenant is no longer eligible**

If a tenant is no longer eligible for an affordable housing scheme we manage, or if the scheme operated for a limited period of time and has now ended, we may end a tenancy under section 87H of the *Residential Tenancies Act NSW (2010)* – ‘tenant no longer eligible for affordable housing ground’.

In these circumstances, we will provide the tenant information about why the tenant is no longer eligible for the scheme.

### **Actual or proposed sale of the property**

We may end a tenancy if the property has been sold or is proposed to be sold with vacant possession and we need the property to be vacant for the sale.

In these cases, we will provide supporting documents to show the proposed or actual sale of the property as required.

### **Other reasons for ending a tenancy**

In certain circumstances, we may end the tenancy on other specific grounds in line with the *Residential Tenancies Act 2010 (NSW)*. You can find information about the grounds we can use to end a tenancy on the [NSW Government website – Landlord ending a tenancy](#).

### **End of tenancy charges, debt and rent arrears**

If a tenant leaves and owes us money, we will make a claim against their bond. We may apply for an order from the NSW Civil and Administrative Tribunal ([NCAT](#)):

- If the tenant disagrees with the claim for the bond
- If the money the tenant owes us is more than the bond

If the amount owing is more than the NCAT limit, we might take other legal action (e.g. local court) to recover the money owing.

### **Financial hardship**

Financial hardship occurs when tenant can't afford to pay their rent without it impacting their ability to cover basic living needs due to unexpected changes in their income. We will work with tenants to provide support, which may include:

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- Setting up a payment plan to manage overdue rent or debt
  - Sharing information about government assistance programs
  - Referring the tenant to the Housing Plus team
  - Referring the tenant (with their consent) to charities that can provide financial advice, vouchers, or other support
  - Assisting the renter in finding other suitable housing if they choose to move, including access to social housing within our portfolio if they have an approved application on the NSW Housing Register.

## Appeals and complaints

Affordable housing applicants or tenants can appeal decisions or make a complaint. Read our [Appeals, Complaints and Feedback Policy](#) for more information.

If a person is still not happy with our decision about their appeal, they may be able to lodge an appeal with the [Housing Appeals Committee \(HAC\)](#) to look at our decision. An appeal with [HAC](#) should be made within 3 months of our decision. A person should contact HAC to seek advice on what they may appeal.

## Relevant laws, regulations or standards

- [NSW Affordable Housing Ministerial Guidelines](#)
- [National Rental Affordability Scheme \(NRAS\) Policy Guidelines](#)
- [Anti-Discrimination Act 1977 \(NSW\)](#)
- [Residential Tenancies Act 2010 \(NSW\)](#)
- [State Environmental Planning Policy \(Housing\) 2021](#)

## Related documents/resources

- [Housing Appeals Committee \(HAC\)](#)
- [NSW Civil and Administrative Tribunal](#)

## Policy Information

<b>Version:</b>	16
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<b>Reviewed:</b>	Dec 2025
<b>Review frequency:</b>	36 months
<b>Responsible team/position:</b>	Executive Director, Customers - Services

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## Appendix 1

### Allocation criteria

When rent is not set using an income-based method, allocations of properties to Affordable Housing programs will be prioritised in the following order:

- a) An applicant who meets the Allocation Criteria 1 and 2 below.
- b) An applicant who meets the Allocation Criteria in 1 and 3 below.
- c) An applicant who meets the Allocation Criteria in 1 below.

### Allocation Criteria

1	Market rental alternatives in that location make that person unable to fund a modest standard of living within the region and the household meets the general eligibility criteria (see 'Eligibility' section above), and the income range is within the very low to moderate level for Greater Sydney.
2	Affordable rent payable comprises 30% or less of gross household income
3	Affordable rent payable comprises 45% or less of gross household income – subject to: The applicant must meet 2 or more of the following conditions <ol style="list-style-type: none"><li>1. The applicant will reside within a 5km radius of their workplace</li><li>2. The applicant will reside near family and/or informal support networks</li><li>3. The applicant will reside close to public transport to access services</li><li>4. The applicant can access services they need to thrive (examples include childcare, healthcare, aged care and disability services).</li></ol>

The above criteria is used as our primary assessment tool. In addition, teams will always consider suitability and need of the household. We will not approve applicants where the affordable rent payable comprises 45% or more of gross household income to ensure affordable outcomes for households.



## Appendix 2

### Summary of program eligibility, conditions and rent setting rules

	National Rental Affordability Scheme (NRAS)	Randwick Council Affordable Housing	Housing Australia Future Fund (HAFF)	Inner West Affordable Housing Program	Properties supported by City of Sydney (Gibbons Street, City Rd and Botany Rd)	General affordable housing (discount to market rents, including SAHF properties)	Affordable Housing properties designated as Social Housing Eligible (SHE)	One Sydney Harbour Barangaroo
Income at start of tenancy	<a href="#">Refer to NRAS household income limits</a>	<a href="#">Refer to NSW Affordable Housing Income Limits</a>	Will be available on our <a href="#">SGCH Affordable Housing Application Form</a> after completion of HAFF affordable properties	<a href="#">Refer to NSW Affordable Housing Income Limits</a>	<a href="#">Refer to NSW Affordable Housing Income Limits</a>	<a href="#">Refer to NSW Affordable Housing Income Limits</a>	Social housing eligibility limits	<a href="#">Refer to SGCH Affordable Housing Application Form</a>
Connection to the area	No	Yes	No	Yes	Yes	No	No	No
Employment	Yes	Yes	No	Yes	Yes	Yes	No	Yes – key workers eligible only



<b>Current living arrangements</b>	No	No	No	No	No	No	No	No
<b>Rent Setting Rule</b>	74.9% of market rent	74.9% of market rent	74.9% of market rent	74.9% of market rent	30% of income, capped at 74.9% of market rent	74.9% of market rent	30% of income plus 100% of CRA payments	74.9% of market rent
<b>Maximum tenure</b>	Not applicable	5 years	Not applicable	3 years	Not applicable	Not applicable	Not applicable	Not applicable
<b>Continued eligibility</b>	No limit – but if income exceeds income limit by 25% or more for two consecutive years, a household will cease to be eligible	Up to 125% of the current eligibility limits	Up to 125% of the current income eligibility limits	Up to 125% of the current income eligibility limits	Up to 125% of the current income eligibility limits	Up to 125% of the current income eligibility limits	Up to 125% of the current income eligibility limits	Up to 125% of the current income eligibility limits