

7 May 2021

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Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) – reference: 8219681 (OIR: 2021-235)

I refer to your information request we received on 13 April 2021 for the following regarding older persons housing:

1. Information from today's meeting regarding rent increases;

The information below is the information provided verbatim from the slides presented at the meeting. If you have any further questions please contact Kelvin Irvine, Acting Property Services Manager, phone (04) 296 4700 or 0800 486 486.

Older Persons' Housing - rent review

April 2021

Our current rent structure was last reviewed in 2018 and it was agreed that rents should cover 80% of the cost of delivering our older persons' housing programme.

In recent years' rents have not increased in line with the increasing costs incurred. Council also took the decision to not to increase rents in 2020 as part of our commitment to supporting our community through the COVID-19 pandemic. As a result, ratepayers have subsidised a growing proportion of costs for things like maintenance, refurbishment work and support services.

Through our Long-term Plan 2021-41, we are proposing to increase rents to cover 80% of the cost of delivering this service.

If the proposal proceeds, how much will my rent increase and when will increases begin?

We are proposing to increase the weekly rent on all units to **\$170 per week when occupied by a single tenant** and **\$246.50 per week when occupied by a couple**.

How a proposed increase would apply to individual tenancies would be worked out on a case-by-case basis, depending on how much you are currently paying but will be within the approximate range of between **\$6 - \$17 per week for single occupants**, and **\$28 - \$42 per week for couples**.

If the proposal proceeds, tenants will receive 60 days' notice before the increase is actioned.

How did you come up with these new rents?

Our revised rents are based on two factors:

- Affordable housing measurements, and
- The costs of delivering this service.

Affordable housing in New Zealand means that a household is spending no more than 30% of household income on rent. **Our revised rents are 30% of superannuation income.**

Our revised rents also fairly share 80% of the costs of delivering this service across all tenancies.

Can Work and Income New Zealand help me if my rent increases?

Depending on a tenant's circumstances, it is very likely that any rent increases could be partially covered by accommodation supplement payments from Work and Income New Zealand. Tenants may also be entitled to additional help if they are finding it difficult to meet their living costs.

You need to contact Work and Income New Zealand directly or visit a branch to discuss your individual circumstances and what you may be entitled to.

How can I provide feedback on this proposal?

This proposal is currently being consulted on as part of our draft Long-term Plan 2021-41 until 5.00 pm Monday 10 May 2021.

You can provide your feedback via forms at this meeting, online by visiting www.kapiticoast.govt.nz/longtermplan, or at your local library, the Coastlands Aquatic Centre, or any Council service centre.

A breakdown of all the costs of running the properties (including maintenance);

Account_L2	Full Year Actuals 2017/18	Full Year Actuals 2018/19	Full Year Actuals 2019/20
Rent from Lease of Council-Owned Properties	(619,728)	(666,779)	(734,377)
Depreciation and Amortisation	302,724	305,246	363,065
Interest expense	(4,999)	-	-
Insurance costs	61,124	81,511	77,825
Maintenance costs	183,747	202,975	223,305
Heat, light, power (energy) costs	-	440	(300)
Rates costs	155,900	151,300	150,936
Overhead allocation of costs	147,087	164,819	210,718
Tenancy Liaison Officer Costs	9,948	1,613	5,680
Grand Total	235,804	241,123	296,852

2. A forecast of the rent collected for the years, 2018, 2019, and 2020;

Account_L2	Full Year Actuals 2017/18	Full Year Actuals 2018/19	Full Year Actuals 2019/20	YTD Actuals
Rent from Lease of Council-Owned Properties	(619,728)	(666,779)	(734,377)	(545,588)

3. Clarification over how many people are employed to manage all 118 Units and if the amount of employees has increased in the last 2 years.

- 1 x Housing and Property Advisor – Full-time staff member @ 40 hours per week
- 1 x Housing Co-ordinator – Full-time staff member @ 40 hours per week
- 1 x Housing Liaison Officer – Part-time staff member @ 20 hours per month

There was an increase of 1 x staff member 18 months ago, to ensure provision of housing delivery is in line with the increasing requirements on landlords within the Residential Tenancies Act.

Yours sincerely



Sacha Haskell
Group Manager Place and Space
Te Kaihautū Takiwā, Waahi hoki