

<b>Policy name</b>	Leasehold Policy
<b>Policy date</b>	February 2024
<b>Authorisation</b>	General Manager, Operations
<b>Policy owner</b>	General Manager, Operations
<b>Policy type</b>	Mission Australia Housing Operational Policy
<b>Policy setting</b>	Housing – Tenancy Management

## 1. Purpose

### 1.1 Overview

1.1.1 This policy sets out the principles to be followed in procuring properties under a Headlease by Mission Australia Housing (MAH). Our aim is to ensure a process that:

- Is fair and transparent;
- Delivers value for money; and
- Complies with the specific legal and contractual obligations placed upon MAH by government, funders and other housing partners.

### 1.2 Coverage

1.2.1 This document is a national policy and covers Mission Australia Housing (MAH), and its entities. All references to Mission Australia Housing, MAH and Housing means MAH and its entities unless specifically stated otherwise.

1.2.2 This policy applies primarily to properties procured for the Community Housing Leasehold Program (CHLP) by MAH.

### 1.3 Information on procedures and other related policies

1.3.1 This policy focuses on why certain things need to be done. It is supported by procedures that provide more detail on what to do and the steps involved in procuring Leasehold properties.

1.3.2 This policy is one of several interlinked policies that support MAH's delivery of housing services. To assist you, these are identified where relevant in this policy and the supporting procedures.

## 2. Scope

### 2.1 Parts of Mission Australia that this policy covers

- 2.1.1 This policy applies to MAH staff responsible for working with MAH clients, tenants, and properties.

### 2.2 Definitions

- 2.2.1 Key terms used in this policy are defined in the following table.

Term	Definition
<b>Agent</b>	Any third party who carries out functions on behalf of MAH or a tenant of MAH. Agents include but are not limited to contractors, advocates, and other tenants.
<b>Headlease</b>	A legal contract between the Landlord and MAH which sets out the terms and conditions for leasing the property, in return for a payment of an agreed rent.
<b>Leasehold Properties</b>	Properties that are acquired through a Real Estate Agency or direct from a private Landlord. MAH enters into a lease with the property owner for the property. MAH subleases the property to a tenant under a Lease.
<b>Lease</b>	A legal contract between MAH and the Tenant which sets out the terms and conditions for living in a MAH property, in return for a payment of an agreed rent.
<b>Tenant</b>	Under state-based residential tenancy and rooming accommodation legislation, a tenant is a person who has entered explicitly into a lease agreement. The term is used more broadly in this policy to refer to tenants and residents under rooming accommodation agreements, unless explicitly distinguished.

## 3. Policy

### 3.1 Guiding principles

- 3.1.1 The MAH leasehold process is fair and transparent:
- MAH will make the process as clear and straightforward as possible.
  - MAH upholds accountability and transparency through its record-keeping practices.
- 3.1.2 The MAH leasehold delivers value for money to MAH:
- MAH will ensure that new properties acquired meet the required standards and are within the median market rent.

3.1.3 The MAH leasehold process complies with relevant laws and procedures:

- MAH fully complies with the jurisdictional requirements of the states and territories in which it operates.

### 3.2 Scope

3.2.1 MAH has a quota of Leasehold Properties under the Community Housing Leasing Program (CHLP). The provision of CHLP is generally covered by a three (3) year agreement with DCJ.

3.2.2 MAH must retain the numbers in the quota and report quarterly through CHIMES reporting.

3.2.3 MAH will receive a quarterly management and maintenance fee from DCJ for providing this quota of properties.

3.2.4 DCJ will also pay a quarterly sum to cover the difference between the market rent under the Headlease, and the tenants rent under the Lease. This amount has been agreed in advance and will increase by CPI annually. MAH must acquire replacement properties within this available funding.

3.2.5 These Leasehold properties are properties rented from the private market under a Headlease for use by social housing clients under a Lease.

### 3.3 Handback Properties

3.2.6 Leasehold properties can be handed back to the Landlord for two reasons:

- Landlord initiated Notice under the relevant legislation for the property to be returned.
- MAH initiated handback. This is likely to be when a Headlease is coming to an end, and the property no longer meets the requirements of the organisation.

3.2.7 Landlords may give notice for a property as per State Legislation.

2.2.8 MAH as a tenant may give notice to handback a property under the following grounds:

- Notice to vacate on a continuous tenancy
- Notice to vacate at the end of a fixed-term tenancy
- Notice to vacate due to breach of tenancy
- Property is uninhabitable

### 2.3 Replacement Properties

2.3.1 MAH will replace properties with properties of a similar size and location. Where possible the market rent for the property will not exceed median rents for the Local Government Area.

2.3.2 Where it is difficult to acquire similar properties within the rent levels, then approval will be sought from the Operations Manager to acquire above median.

- 2.3.3 When acquiring a replacement property, Housing staff should negotiate a schedule of rent increases over a three to five-year term.

## 2.4 Commencing a Headlease

- 2.4.1 MAH will pay a Bond to the Landlord.
- 2.4.2 The Headlease must be signed by the Landlord and State Manager.

## 2.5 Tenants

- 2.5.1 MAH will sublease leasehold properties to suitable applicants in line with **MAH Allocation, Starting Tenancies and Rent, Other Charges & Bonds Policies and Procedures.**

# 4. Responsibilities

## 4.1 Housing staff, including Housing Officers and Client Service Officers, are responsible for:

- Assessing tenants for management transfers.
- Advising the Team Leader if a tenant has provided notice to leave a leasehold property
- Sourcing suitable applicants for a vacant leasehold property

## 4.2 The Team Leader is responsible for:

- Receiving and issuing termination notices.
- Sourcing alternative property and seeking approval to acquire property within agreed rent levels.
- Ensuring all initial set-up costs such as holding deposits, bonds and rent are processed by the Finance Team.
- Ensuring all paperwork is completed accurately and signed, including Headlease and Condition Report.
- Obtaining Approval to acquire new property and to service notice on the Landlord.
- Where required, negotiating the rent increase with the Landlord and seeking approval for the rent increase where required.
- Ensuring the right policies are followed for entering into a Lease with a tenant and managing a vacant property.
- Keeping records associated with establishing a tenancy in the tenancy management system and, where required, in original hardcopy tenant files.
- Recommending improvements to this policy and associated procedures.

## 4.3 Team Leaders/Regional Manager are responsible for:

- Providing approvals to acquire properties within delegations.
- Incorporating this policy and associated procedures into staff induction and training.

- Ensuring staff are aware of and have access to this policy and associated procedures.
- Escalating feedback about this policy to the policy owner and/or policy writer.

#### 4.4 The Operations Manager and State Manager is responsible for:

- Signing the lease on behalf of MAH.
- Ensuring that MAH complies with this policy and associated procedures.
- Recommending any changes to this policy and associated procedures.