

# Affordable Rental Policy (NZ)

## 1. Purpose

This policy outlines how HOME in PLACE NZ will manage affordable housing to meet contractual and legal obligations and to identify and describe variations to tenancy management practices for affordable housing. The Affordable Rentals (AR) Programme has been established to address housing affordability challenges faced by low to moderate-income households. The primary objective of the programme is to provide access to secure, long-term rental housing in quality dwellings for individuals and families who are otherwise unable to afford accommodation in the private rental market.

This initiative recognises the critical need for inclusive and equitable housing solutions that support social and economic participation. In particular, the programme extends eligibility to essential key workers, such as those in health care, education, emergency services, and other community-support roles, who are vital to the functioning and resilience of communities yet often face housing stress due to high market rents near their places of employment.

By improving access to affordable housing, the AR Programme supports stability, social inclusion, and community well-being, while contributing to the broader objective of a balanced and sustainable rental housing market. Affordable rentals are capped at 80% of market rent, and are assessed annually using Tenancy Services Market rent » Tenancy Services. In contrast, regional incomes can be found in the Social Investment Agency Regional Data Explorer and [Microsoft Power BI](#). The market rent data can be found on Tenancy Services website [Market rent explained » Tenancy Services](#) and here [Market rent » Tenancy Services](#)

## 2. Scope

This policy applies to affordable housing properties in the HOME in PLACE NZ portfolio, HOME in PLACE staff and contractors, affordable housing applicants and tenants.

## 3. Policy Statement

Affordable housing is designed to assist working people on low to moderate incomes who earn at least some of their income from regular paid employment in accessing rental housing. Affordable housing rents are set at 80% of market rent so that households can afford their rent and meet other basic living costs

HOME in PLACE NZ manages a number of affordable housing properties, each program has its own eligibility criteria and rent setting policies. HOME in PLACE NZ manages its affordable portfolio in line with the requirements of the Ministry of Housing and Urban Development (MHUD) affordable rentals guidelines

## Affordable Housing Criteria

Rent for the AR programme is assessed at 80% of the Median Annual Household Gross Income (published by [Figure.nz](#))

1. The property must be used exclusively as the household's primary residence, i.e. it is not to be used as a second home or holiday house.
2. Households cannot vacate the property for more than four weeks of the year without HIPNZ permission.
3. Applicants cannot own, or have a financial interest in, any other property.
4. Within each household at least one member is a New Zealand resident or citizen.
5. Within each household at least one member must be employed in full time employment (minimum 30 hours per week average).
6. A satisfactory credit check for each adult.
7. A satisfactory reference from at least one previous landlord.

## Eligibility

To be assessed as eligible for affordable housing, applicants must meet the following criteria:

Affordable housing applicants must

- Establish their identity
- Be resident in the region of affordable rentals or relocating into the region for employment purposes that support the community.
- Be a New Zealand citizen or have permanent residency in New Zealand
- Be able to sustain a successful tenancy, without support or with appropriate support in place
- If applicable, make repayments of any former debts to a social housing provider
- In general, be 18 years or older

## Setting of rent

1. Rent setting will be applied uniformly across all AR Households unless different criteria are used and/or otherwise agreed for separate housing/rental projects.
2. AR rents will be set as follows:
  - For a household that meets the AR financial criteria, rent will be subsidised and set at 80% of the full market rent.
  - For those who are no longer eligible for a subsidised rent as determined by the AR financial criteria, rent will be set at full market rent, and the tenant must vacate the property within 90 days, as they are no longer eligible for affordable rentals due to set income caps.
  - A rent review will be undertaken annually on the anniversary of joining the AR programme and the household's income reassessed to establish the new rent amount, as calculated above.

## Differences between Affordable & Social Housing

The goals of affordable housing are similar to social housing; however, there are some key differences, including:

- Affordable housing is open to a broader range of household incomes than social housing, so households can earn a higher level of income and still be eligible;

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- Applications for affordable housing properties are made to and assessed by HOME in PLACE NZ. Applications for affordable housing cannot be made through MSD;
- Households do not have to be eligible for social housing to apply for affordable housing, though social housing eligible households may also qualify for affordable housing;
- Allocations policy for affordable housing is different to social housing and may prioritise different target groups;
- From time to time, HOME in PLACE NZ may invite social housing eligible households on the Housing Register to apply for affordable housing properties. However, this does not constitute an offer of social housing, and the household can refuse this invitation;
- If a household on the Housing Register accepts a tenancy in an affordable housing property, they will be regarded as suitably housed and removed from the Register; and
- Rents for affordable housing are calculated differently to social housing and there may be different tenancy management arrangements.

HOME in PLACE does not retain a waitlist for affordable properties, when a person is interested in one of our properties, they must attend the open house, at the advertised time or virtual inspection and obtain an application form. Completed forms then need to be submitted for consideration, HOME in PLACE NZ will not progress any application that has not been completed in full, including providing the additional documents required.

## Allocations

Affordable housing properties will be allocated to a mix of low and moderate income households that are essential or key workers within the community. When considering allocations, HOME in PLACE NZ will balance the needs of households in rental stress with the requirements to generate sufficient income to meet operating costs, and include the following criteria for consideration:

- Applicants must meet income eligibility limits for the program;
- Applicants must require medium to long-term affordable rental housing;
- Applicants must not own property or assets which could realistically be used to secure affordable, appropriate housing;
- Applicants must be permanent residents or citizens of New Zealand;
- There is no conflict of interest as a result of a close association or employment with HOME in PLACE NZ
- The housing need(s) of the applicant, that is, the degree to which their current housing is unaffordable or inappropriate;
- Ensuring that high-needs groups are represented in allocations;
- Ensuring an appropriate income mix;
- The household size is appropriate to the accommodation available;
- Specific accommodation needs related to the type of dwelling, e.g., the need for ground floor accommodation;
- Specific accommodation needs related to locational factors, e.g., the need for close proximity to local services and facilities;
- Judgements as to the compatibility mix with each development, while ensuring diversity; and the need to live in the area; and
- There is no outstanding debt owed to HOME in PLACE NZ.
- All applicants must undergo reference checks with employment and previous landlords

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## Tenure & Lease Agreements

1. All AR households will sign a HOME in PLACE NZ *Affordable Rental Residential Tenancy Agreement* with a 1-year fixed term lease. At the end of the 1-year lease, HOME in PLACE NZ will undertake an updated income assessment to determine the household's eligibility to renew another 12-month lease
2. All AR households will be subject to HOME in PLACE NZ Housing Management Policies
3. AR tenants will be required to pay a bond equating to 4 weeks' rent and two weeks advanced rent.
4. Where demand exceeds supply for AR properties, households will be prioritised on a needs basis, in line with HOME in PLACE NZ Allocation of HOME in PLACE NZ Properties Policy I
5. All AR households will have a full review of their financial situation undertaken annually and if household income or market rent has altered, then rents may be adjusted accordingly.
6. Should a household that exceeds the income cap, their tenancy will be terminated with 90 days notice provided.
7. Any changes to the Residential Tenancy Act may override the parameters and rules established within this policy.

### Length of leases

Tenants are expected to meet the requirements of a standard residential tenancy agreement. The term of the residential tenancy agreement will be twelve (12) months. Tenants who met their tenancy obligations and who remain eligible for the program will be invited to enter into new agreements for a further twelve (12) months.

### Ongoing eligibility

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

Ongoing eligibility reviews will be conducted before the expiration of the residential tenancy agreement. Tenant must provide up-to-date income and other information when requested for the review. When a tenant remains eligible, they will be invited to enter into a new residential tenancy agreement.

If the eligibility review identifies the tenant is no longer eligible for affordable housing HOME in PLACE NZ will work with the tenant to identify alternate housing options. A tenant may be given up to twelve (12) weeks to move to alternative accommodation, depending on their circumstances. HOME in PLACE NZ may also use the provisions of the *Residential Tenancies Act 1986* to terminate the tenancy, specifically, Section 51.

### Termination of leases

HOME in PLACE NZ may seek to end a tenancy if there is a breach of the residential tenancy agreement or where the tenant is no longer eligible for affordable housing. Tenants will be notified of any action HOME in PLACE NZ intends to take.

## *Transfer & succession*

Tenants are not able to transfer to another affordable property, however, if there is a vacancy that better suits the needs of the tenant, they can apply for the property through the general application process. If the tenant leaves the property, household members cannot apply for succession of tenancy. Household members can apply, and be assessed, for affordable housing.

## *Changes in Income*

Where a tenant's income increases above the income eligibility limit, the following shall apply:

- No action will be taken where incomes are up to 10% above income limits.
- Where a tenant's income is more than 10% above income limits, there will be a 12-month review period. During this review period, an assessment will be made of the amount of the increase in income and the permanence or otherwise of the income increase; and
- If a tenant is found to be ineligible following the review period, they will be advised of the requirement to relocate. Relocation shall be at the tenant's own expense.
- Where a tenant's income falls below the income eligibility limit, the following policy shall apply:
- No action will be taken where the income fall is not greater than 10% of the minimum threshold;
- There will be a 12-month review period, during which time the circumstances of the tenant will be assessed. This assessment shall include analysing the amount of the decrease in income and the permanence of the income change;
- If the tenant's income has not increased to the minimum income limit during the review period, and is unlikely to do so in the immediate future, HOME in PLACE NZ will facilitate a 12 month lease renewal.

## *Changes to the household*

Tenants must notify HOME in PLACE NZ of any changes to the household. An eligibility assessment will be completed if a person leaves or is added to the household to determine if the household remains eligible for the program.

## **Rent**

### *Rent setting*

Rent is set at 80% of the current market rent value of the property depending on the affordable rentals program requirements.

### *Rental bonds*

Tenants in affordable rental programs are required to pay a rental bond of four (4) weeks rent.

### *Rent payments*

Rent is charged on a weekly basis and can be paid weekly or fortnightly, tenants must remain in advance with their rent payments.

### *Rent arrears*

A tenant who falls into arrears with their rent payments will be given the opportunity to set up a repayment plan to bring their rent account up to date. HOME in PLACE NZ reserves the right to act in the tribunal where a payment plan is not adhered to, or when the account is more than 21 days in arrears.

Rental arrears are not tolerated and tenancies where persistent rental arrears and a failure to work with HOME in PLACE NZ to enter into affordable payment plans will be terminated and not renewed at the end of the fixed term lease.

### *Review of Market Rent*

Market rents will be reviewed and adjusted annually. Tenants will be notified of any adjustments in accordance with the Residential *Tenancies Act 1986*.

## **Review of Decisions**

Some decisions made by HOME in PLACE NZ may be subject to a review. If a tenant or applicant does not agree with a decision HOME in PLACE NZ has made, they should first discuss this with a Tenancy Relations Officer. If the tenant or applicant is still dissatisfied, they have the right to lodge an appeal for a formal review of the decision. Appeal Request forms are available on the HOME in PLACE NZ website or by contacting a HOME in PLACE NZ on 0800 124 663.

## **4. Definitions and Acronyms Glossary**

For clarification of any definitions or acronyms contained within this document, please click on the [Glossary](#) for information.

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