



Part Rental Policy

Category: HOUSING MANAGEMENT
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SUMMARY

A good number of housing applicants rent private accommodation whilst waiting for permanent housing solutions. Driven by demand, the price of private rentals has gradually increased, resulting in difficulty for the tenants to sustain the rent. Payment of part of the rent helps families to sustain the rental and secure short-term accommodation. The Part Rental Policy provides the framework for part rental assistance and spells out the criteria and factors that are taken into consideration whilst evaluating a request for assistance.

The Policy takes into consideration the financial aspect of the applicant, in line with established norms such as related programs of the Agency for Social Protection. Such an approach will ensure that abuse are kept to a minimum and guide families to control their spending and other financial commitments.

STATEMENT

The Policy provides a framework and guideline for PART RENTAL assistance which the Government provides to Housing Applicants who cannot be assisted with a house at a particular moment in time but has seen a need to rent out privately whilst they wait to be assisted but are facing financial difficulties.

BACKGROUND

At the end of the year 2017, there were a total of 218 housing applicants renting houses across the country who had applied for part rental assistance. For most applicants the reason for renting was as a reason of over crowdedness in their parent's home. In the year that followed the Ministry started to put in place a framework to better manage those applicants and request for part rental assistance. Using data gathered from the applicants, the Ministry was able to derive sets of parameters and criteria to improve the framework, which forms the basis of this policy. Thus ensuring that the aim and objective of the assistance are met.

APPLICABILITY & SCOPE

The Housing Department in the Ministry of Habitat, Infrastructure and Land Transport and all other responsible arms of Government such as PMC and ASP.

POLICY

All applicants applying for part rental assistance shall apply through the prescribed form and shall meet the criteria prior consideration can be given to the application. All applications would be subject to a Financial Analysis; details of the criteria and financial analysis are outline below;

1. Criteria for Part Rental Application

1.1 Housing Applicants whom due to over-crowdedness in the family home or substantiated/ validated social factor (such as physical abuse), or certified medical chronic condition, which does not permit the applicant to stay in the current abode.

1.2 Property owners who rent out private abode on a temporary basis to improve the condition of their existing house, such as in the case of dilapidated, poor housing condition, unsound structure and houses in a poor state of repair.

1.3 Applicant choosing to rent privately out of convenience, family disagreement, or other unsubstantiated social factors and self-inflicted conditions shall not qualify for Part rental assistance.

2. Application

All application shall be made through the Customer Service Centre or through the DA, using the prescribed format and shall include the following supporting documentation;

- a) Latest Pay-slip of all household or Bank statement if self-employed¹
- b) Valid Rental Agreement (signed and dated)
- c) Documentation of any Loans
- d) Utility Bills
- e) All bank statements for the last 6 months

3. Additional information required

3.1 All applicants shall give consent for the Ministry/Agency to obtain **any other relevant information** from other institutions on the client

3.2 Home Savings Scheme statements from HFC

3.3 District Authority's views on the application for part rental

¹ Self –employed - formal employment whereby the applicant can produce a pay slip or contract depicting salary

4. Financial Assessment

The Assessment shall be on the basis of monthly income against monthly expenditures only and shall take into account the following;

4.1 Monthly Income in the form of;

- a) Basic salary plus any fixed allowances/wages provided for in schemes of service
- b) Average overtime over a period of 6 months
- c) Alimony receiving (child support)
- d) Part time & Second employment
- e) Welfare/benefits

4.2 Monthly Expenditures shall only be in the form of basic needs and shall only include the following;

- a) Monthly household expenses of not more than Rs. 4000.00
- b) Rent payables
- c) Utilities (maximum Rs. 500.00)
- d) Land or Housing Loans (improvement loans)
- e) Daycare (with receipt proof, including portion being paid by ASP)
- f) Transport expenses (bus fares only at Rs. 250 max)
- g) Housing Saving Scheme Payments (actively paying)
- h) Alimony/ child support payments (of not more than Rs. 2000.00)
- i) Student loans

4.3 The following items shall not be considered as expenses in the claim for part rental assistance despite the fact that it is an expenditure incurred by the applicant;

- a) Private medical bills

- b) Private school bills
- c) Life Insurance or Insurance premiums
- d) Personal loans (e.g. car, staff loan, travelling, holiday loans)
- e) Kids school provisions²
- f) Other utilities such as internet facilities and paid TV packages

5. Non-qualified applicant

5.1 Applicants who falls in the following category will not be deemed qualified to apply for part rental assistance;

- a. Members of the public remodeling their home or doing improvement works
- b. Applicants without a housing or land application
- c. Applicant who is not consistently paying their HSS (3 months minimum)
- d. Applicants or partner who are not in employment without a valid medical certificate
- e. Applicant who is subletting a house from a tenant renting from P.M.C or from a tenant under a house purchase agreement of which the same has not been fully paid off.
- f. Applicants who have been assisted by government previously.

6. Remuneration

6.1 Part rental assistance shall be calculated on the basis of the difference in the sum of total monthly income against the total monthly expenditures and shall not be more than Rs. 5000 per month.

² Should not be included as expenses as deserving cases can apply under the school assistance program

6.2 It shall be for a fixed period of 1-year but reviewed every 6months. Applicants should renew the assistance two-month prior the expiry of the assistance.

6.3 All payments for part rental assistance shall be through PMC and the same shall be made payable directly to the landlord.

7. MHILT/ASP reserves the right not to process or denied any application for part rental for any applicants who makes false or inaccurate declaration to benefit under this policy

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