

Am I ready to rent?

Applying for a private rental property can be daunting and needs to be taken seriously. Living in a private rental property involves legal responsibilities for you as a tenant. Making sure you are ready to take on these responsibilities involves considering: can you afford it? Do you need help with an application? Do you know where to go if things get hard? It is important to make sure the property you chose is going to suit your needs long term. In this section there are resources and tips to help you decide if you are ready to rent.

Can I afford to rent?

Your rent can be calculated as a percentage of your income. It is commonly considered that 30% is the maximum amount of income that should be spent on rent alone. 25% ideally should allow you to meet all your other living and entertainment expenses and still allow you to put money aside in case of an emergency. This depends on individual circumstances and type of income received.

Calculating a recommended amount of rent, calculated @ 30% of income

Payment Type	Payment amount per fortnight	Rec. rent per fortnight	Rec. rent per week
Disability Support Pension (DSP)	\$867	\$260	\$130
Newstart (single)	\$523	\$157	\$78
Newstart (single/1 child)	\$566	\$170	\$85
Newstart Single (over 60yrs)	\$566	\$170	\$85
Newstart Partnered	\$473 (each)	\$142 (each)	\$71 (each)

The amounts are estimates only. Figures based on information from <http://www.humanservices.gov.au/customer/services/centrelink/>

How to work out 30%?

You receive \$867.00 per fortnight (p/f) from the disability support payment, this is how you would work out the rent you can afford.

$$30/100 \times \$867.00 = \$260.10 \text{ per fortnight}$$

Rent calculation work sheet

Maximum: 30% 30/100 x payment p/f= rent p/f	Recommended: 25% 25/100 x payment rent p/f= rent/p/f
30/100 x =	25/100 x =

Can I get Rent assistance?

Rent Assistance is a non-taxable income supplement payment added on to the pension, allowance or benefit of eligible income support customers who rent in the private rental market. Pensioners, allowees and those receiving more than the base rate of Family Tax Benefit Part A may be eligible for Rent Assistance.¹

How to apply?

You do not need to lodge a separate claim for Rent Assistance. Centrelink will assess your eligibility as part of your primary payment application process. Centrelink will need you to provide proof that you pay rent, and you will need to complete a Rent Certificate.

If you have a formal written tenancy agreement you will need to show this to Centrelink. If you do not have one, or are not named on the tenancy agreement, the person you pay rent to will have to sign your Rent Certificate.¹

Centrelink contact numbers

Families	136150
Indigenous Australian Call Centre	1800 136 380
Job Seekers	132 850
Older Australians	132 300
Disabilities	132 717
Students	132 490

See link for all Centrelink contact numbers <http://www.humanservices.gov.au/customer/contact-us/phone-us>

My Budget

Completing a budget will help you know how much you can afford. We have provided an example, estimates are based on living alone.

Budget template

Living expenses	Example (living alone)	How much does it cost per fortnight
Housing		
Rent (insert 30% of income as calculated)	\$ 157	
Contents insurance	\$10	
Utilities		
Electricity	\$35	
Gas	\$35	
Water	\$5	
Phone (house)	\$	
Phone (mobile)	\$25	
Internet access	\$20	
General expenses		
Food shopping	\$120	
School expenses	\$	
Pet car	\$30	
Child support	\$7	
Entertainment	\$30	
Other		
Other		
Car/transport		
Fares (Bus/Taxi)	\$20	
Petrol	\$	
Car costs	\$	
Credit		
Loan Payments		
Credit Card Payments	\$25	
Total expenses	\$432.00	

Income	Example	How much per fortnight
Wages (after tax)	\$	
Centrelink payment	\$523	
Family Tax benefit	\$	
Child support		
Other		
Other		
Total income	523	
Total expenses	519	
Remaining \$\$	\$4	

Word template available at www.housingjustice.org.au

Need help with your budget, debts or finances?

Budget Planning Website:

<https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/budget-planner>

Contact:

1. **St Luke's** (03) 5448 1000/
1800 244 323 – free call all areas
http://www.stlukes.org.au/Pages/Our_Services/Financial_Counselling.aspx
2. **Bendigo Family & Financial Services**
(03) 5441 5277
<http://www.bendigofamilyandfinancialservices.org/index.html>
3. **Rural Financial Counselling Service Victoria**
(03) 54422424
<http://www.ruralfinancialcounselling.org.au/>

What do I need in a property?

It is important to know what you want before you start looking for properties. Here are some things to consider and space to write down your needs.

Things to consider

Things to consider	What I need?
Bedroom Size (1,2,3,4+)	
Housing Type (bedsit, unit, house, yard)	
Location (near transport, shops, hospitals, schools)	
Cost (how much can you afford)	
Pets (i.e. yard required)	
Style (kitchen size, number of bathrooms)	
Other:	

Tenancy Databases/blacklists

If you have lived in a property and there may have been issues with rent payments and damage you may be listed on a tenancy database.

What is a tenancy database?

Tenant databases are run by private companies who collect information about tenants and make it available to landlords, real estate agents and tenants, usually for a fee.²

Need more information?

See Tenancy database factsheet – <https://www.tuv.org.au/advice/tenant-databases-blacklists/>

Am I now ready to rent?

Self-Assessment Checklist

Question	Yes	No
Do I know what I want in a house? (eg. size, location etc)		
Can I afford to pay rent?		
Do I have furniture (i.e. bed, fridge?)		
Do I have references – written/verbal?		
Can I talk to real estates/ landlords calmly?		
Do I understand the basic rights and responsibilities of being a tenant?		
Do I know how to complete a rental application or where to go if I need help?		
Can I fill in a condition report?		
Can I manage household tasks (cleaning, cooking)?		
I am not on a tenancy database/ blacklist?		

If you answered 'yes' to all these questions, then you are well prepared to rent in the private rental market.

Worksheets available as word template at www.housingjustice.org.au

- Budget template
- What you need in a property
- Self assessment checklist

¹http://www.assistance.act.gov.au/adult/housing_and_rates/private_rental/commonwealth_rent_assistance

²<https://www.tuv.org.au/articles/files/resources/tenant-databases-blacklists-factsheet2014.pdf>