



COMMUNITY HOUSING
Industry Association Victoria

Practice Guidance

Explaining Rent

(Renter needs and mindsets)



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Purpose

The purpose of this guide is to support Community Housing Organisations (CHOs) to understand what information renters are seeking to understand through the rent calculation cycle, to assist CHOs to understand renter needs and mindsets, and to better explain rent to renters.

This guide is designed to complement the template Rent Policy by providing further details on how to set and review rent under that policy and assist to establish procedures and processes. It should also be read in conjunction with Explaining Rent (Tools & Resources) Guide which provides example template rent explainers, letters and infographics.

Should you have any questions or comments on any of the information in this guide, please email leadingpractice@chiavic.com.au.

Definitions

The definitions for common terms used in this guide are set out below.

Term	Definition
Applicant	A person who has applied for social housing via the Victorian Housing Register (VHR), the waiting list for people seeking access to public and community housing.
CHO	Community Housing Organisation. A registered community housing association or provider.
Financial hardship	Where unforeseen events occur that fundamentally place a renter's tenancy at risk due to an unavoidable change in financial position and an inability to pay agreed rents.
Market-based rent	The maximum rent that will be charged excluding the service charge (if applicable).
Market rent	Rent assessment based on rents for properties in the same location and of similar size and condition with the same services provided in the private rental market.



Renter	A person who occupies a premises under a rental agreement.
Rent review	An assessment of household income and/or composition during a tenancy, to align the rent amount payable with the renter's current circumstances.
Rental agreement	A signed residential agreement which sets out the rights and duties of the renter and the rental provider, in accordance with the Residential Tenancies Act 1997 (Vic) (RTA).

Background

In 2022, CHIA Vic and the Commissioner for Residential Tenancies consulted with Today Strategic Design to improve communications with renters around rent setting across the industry. Today Strategic Design conducted interviews with a cross section of community housing renters throughout Victoria in order to further understand:

- Renters' current challenges in understanding rent setting;
- The consequences the lack of awareness has on how renters manage their community housing experience;
- Renters' informational needs and communication preferences.

Community housing renter pain points and needs

Renters don't know how their rent is set

Renters are grateful they are receiving support to rent a house sustainably and affordably, yet they don't know if their rent is being calculated fairly. Renters are relying on comparisons with their neighbours' rent amounts and are spreading misinformation amongst themselves. Renters feel discouraged to seek employment because they worry it will disrupt their stability financially.

Renters Need

- Transparency and clear communications about how their rent is set and calculated.

Rent setting policies are confusing

Complex legal language, generalised tables and formulas aren't helping renters better understand how their own rent is set. The policy as a format for the delivery of renter-



facing information is mismatched with what Community Housing Organisations (CHOs) feel they have to share comprehensively in a policy. Renters with language barriers require their children to translate communications for them and need something much simpler to convey rent setting information.

Renters Need

- Simple language and terms that are easy to understand;
- Visual aids to understand their rent;
- Personalised information so that they don't have to interpret general information for themselves.

Renters move in during traumatic life experiences

New community housing renters are often going through difficult times in their personal lives. Circumstances include addiction, homelessness and domestic abuse. Often times renters are receiving a bulk of information about rent setting when they are moving in, which is a moment when they are fatigued and not able to absorb large amounts of information.

Renters Need

- Empathy and care early on, and information when they are mentally prepared;
- Information about rent setting served in smaller chunks.

Renters aren't receiving proactive guidance

Rent setting policies are rarely accessible. The policies that are hosted on websites are hard to find. Renters don't know what questions to ask when they don't have context around how rent setting works. When rent review communications are sent out renters realise they don't know about their responsibilities and how their rent is set. Renters who feel unsupported can develop a mistrust for their CHO and feel like information is being withheld.

Renters Need

- More consistent and predictable communications to feel on top of things;
- To be reminded of important information;
- A better dialogue and trusting connection with CHOs.

Communications aren't in the preferred format

Renters are using different physical and digital channels to receive and reach out for more information, but each renter has their own preferences. Renters complain about letters, texts and emails getting lost or clumped with less important information. For example, renters are often in contact with tenancy workers about maintenance issues



and complaints by text or email but might prefer written information about rent setting. Renters aren't being asked what their preferences are.

Renters Need

- To be communicated with in ways that match their contact and learning preferences;
- Communications about rent setting in a distinct and noticeable format so that it doesn't slip through the cracks.

Renters don't know their rights

Because renters aren't aware of how their rent is set they are also unaware if their rent is excessive and that they can request a review. Renters don't feel the confidence to question their rent amount, even if it is creating hardship, because they feel like it might backfire. Renters who work may have part-time casual positions with inconsistent hours and CHOs aren't supporting those renters to hold a job and report their income for rent calculations.

Renters Need

- To know the actions they can take from the information they receive;
- To feel like they have autonomy in managing their community housing rental experience.

Content mindsets

What are content mindsets?

Content mindsets speak to both the renter's context and their understanding of Community Housing.



Engage me

I am interested in understanding my rights and responsibilities, but I'm not yet invested. I need digestible content that draws me in and tells a compelling story during key moments.

Reassure me

I am not yet fully convinced that my rent has been set appropriately. I need content that builds my trust, sets clear expectations, and addresses my concerns directly.

Guide me

I don't know what I need to know to feel in control of my renting experience. I need content that steps me through how rent works in community housing and provides clarity on my responsibilities and rights.

Help me

I have hit a roadblock and feel unsure on how to get the help I'm looking for. I need content that helps me troubleshoot my specific problem, points me to the right support, or provides me with a simple solution to move forward.

Empower me

I feel prepared and informed. I need content that bridges the gaps in my understanding and empowers me to translate my knowledge into practice. Give me the information I need to take action.

What they help us do

Content mindsets help us design content that best meets renter's changing needs. They allow us to make communications more useful and actionable.

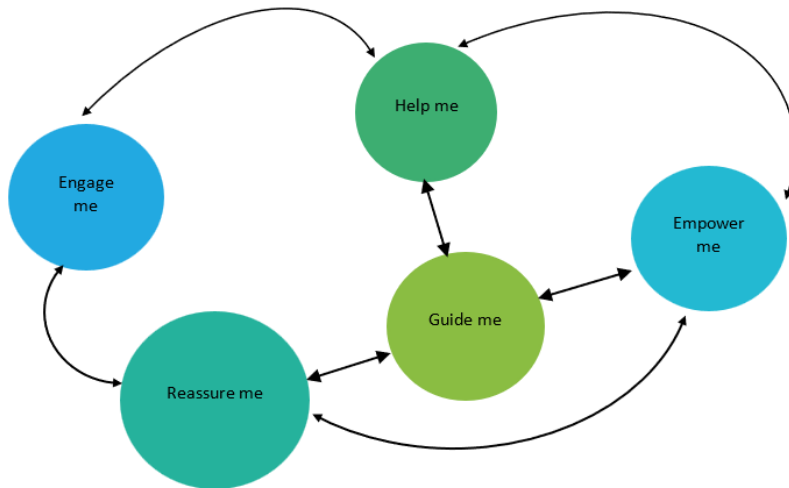
How we use them

These mindsets can be used to guide how we communicate with renters at different moments throughout their community housing journey.

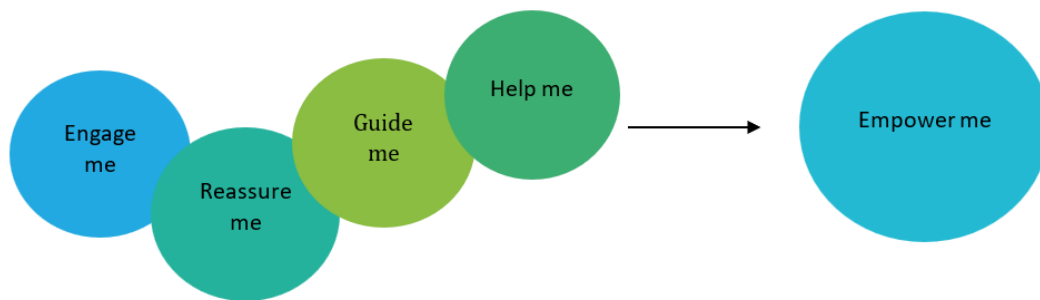
We can use them to inform the way we structure and respond to informational needs. For example, the way we format content for someone who wants **reassurance** is different when compared to someone who wants **guidance**.

Research reflects renters may move between various content mindsets at different points along their Community Housing journey.





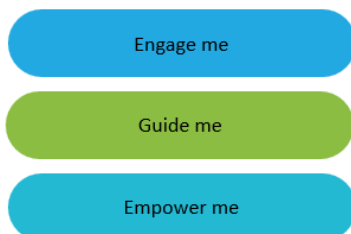
While the mindsets are not linear, as renters will bounce between them, we're broadly aiming to move people from **unengaged** to **empowered**.



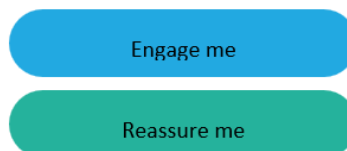
Moments that matter

There are three moments that matter most to renters when it comes to understanding rent setting. Communications should proactively support renters' to understand the first two moments (before signing the rental agreement and leading up to rent reviews).

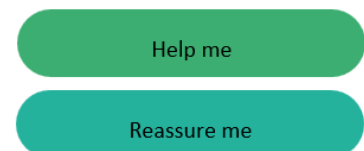
Before I sign the rent agreement move in



Coming up to rent reviews

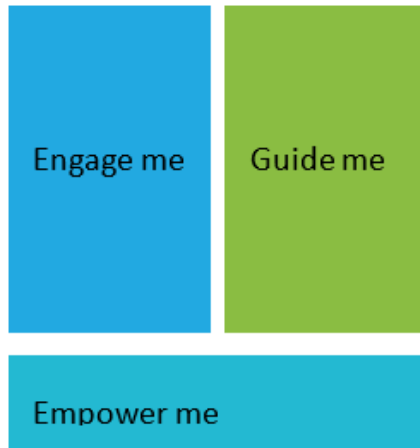


When my income and circumstances change



Applying content mindsets to your communications

Explaining the rent calculation

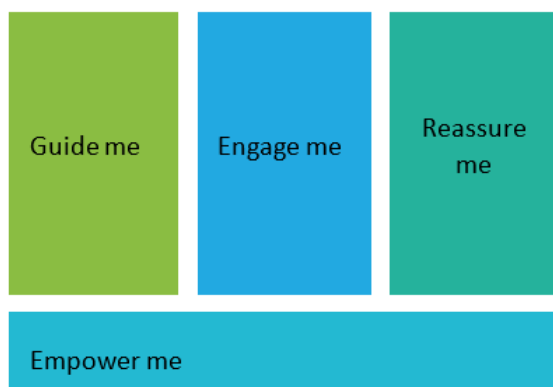


While explanations of how rent is calculated should guide renter's **understanding**, they should broadly aim to move them from **unengaged** to **empowered**.

Allow your communications to speak directly to these mindsets by giving renters **digestible information that draws them in with relevance**.

By the end of your explanation, renters should feel **prepared to provide you the updates** to their circumstances that might affect their rent. They should also **feel empowered to seek work if they're able**, safe in the knowledge that their rent will remain affordable.

Explaining rent reviews

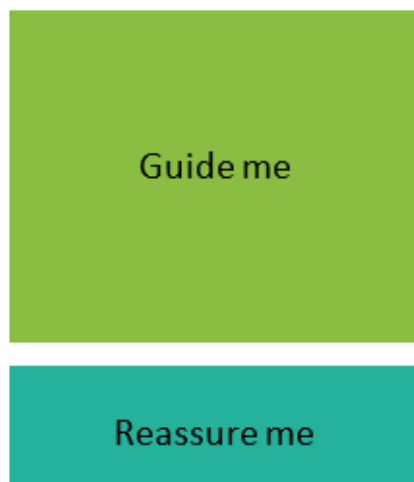


This is an opportunity to engage renters that may not be aware of rent reviews, or what they need to report before they begin.

While explanations about rent reviews should **step renters through how they work**, they should do so in an engaging way that **draws them in with what action they need to take** and **builds trust that taking such action means their rent will continue to be set appropriately**.

By the end of this explanation, renters should feel informed and prepared to **translate their knowledge into practice**.

Rent setting policy



Keep in mind the renter's mindset when creating or editing your rent setting policy. Policies are best placed to **guide a foundation of knowledge** and reassure renters by **setting clear expectations** for all parties.

Content should step users through how rent works in community housing using a clear structure, e.g., headlines and bullet points.

The information should **provide clarity on their responsibilities and rights** and build their trust by **guiding them to other relevant policies** they should be aware of.



Income-based rent setting explained

The Explaining Rent (Tools & Resources) Guide includes example templates that can be used to communicate rent to applicants and renters. The Rent Calculation Explainer templates help to explain:

- How their rent works;
- How the amount they pay has been calculated;
- How the amount they pay could change;
- What they're required to tell their CHO;
- Steps they can take if they still have questions.

How to use the Rent Calculation Explainers

Proactively

These have been designed to be used as a proactive piece of communication and to be shared with applicants and renters, rather than expecting them to find it themselves.

In conversations with applicants and renters

The explainer templates are designed to help you create a shared understanding about rent with your applicants and renters. It should supplement good verbal and in-person communication, not replace it.

- It can be used as something you both have in front of you during conversations about how rent is calculated.
- It may be helpful to print it out double sided and to write on it in front of them to help them understand how it applies to their personal income and their home's actual market-based rent.

More than once

Given their circumstances when they move in, it may take time for renters to understand how rent setting works. It's important you give them the opportunity to learn by offering simple explanations. Share this:

- Before they sign their rental agreement;
- If they ask questions about how their rent works;
- If they ask for their rent to be reassessed.

To reflect your CHO's policies and practices

Community Housing Organisations each may calculate rent slightly differently. There are 4 key pieces of information that you will need to update on the template before sharing it with renters.



1. How often renters need to pay rent;
2. The percentage your CHO takes from the household's assessable income illustrated in the diagram (see instructions below);
3. How often you run your rent reviews;
4. What your CHO's methods are for calculating market-based rent.

Update the rent diagram to illustrate your CHO's approach

1. Find the correct infographic from the list in the Explaining Rent (Tools and Resources) Guide;
2. Enter merge fields anywhere \$XXX exists, from your tenancy software/rent calculator tool;
3. Merge details.

Insights into the reader

Their mindsets

Content mindsets speak to both the user's context and their understanding of Community Housing.

They help us design content that best meets renters' changing needs. They allow us to make communications more useful and actionable. While the explainer templates should be used to guide a renter's understanding, it is broadly aiming to move them from unengaged to empowered.

Consider these mindsets when you communicate with renters about how their rent is calculated.

Engage me

I'm interested in understanding my rights and responsibilities, but I'm not yet invested. I need digestible content that draws me in and tells a compelling story during key moments.

Guide me

I don't know what I need to know in order to feel in control of my renting experience. I need content that steps me through how rent works in community housing and provides clarity on my responsibilities and rights.



Empower me

I feel prepared and informed. I need content that bridges the gaps in my understanding and empowers me to translate my knowledge into practice. Give me the information I need to take action.

Things to keep in mind about the renter reading this

- You might share this with someone applying to your CHO, or an existing renter.
- They may only have a basic understanding of how rent works in community housing. They are reading to try and get their bearings.
- Research shows some people rely on their children translating information for them. If you make any edits to the explainer templates, make sure they are aimed at a grade 6 reading level.
- They may be going through a difficult time in their lives. While moving into the home you're offering them can be a big relief, it may take some time for them to settle before they are able to absorb information about how rent setting works.
- It may be difficult to absorb how rent setting works through large information packs, in rental agreements, or policy documents.
- Different clients prefer receiving communications in different ways. It's important to consider, or ask, which way best suits each renter. It may be that providing several versions would suit more renters needs. E.g. providing the explainer in a letter, an email, or a link they click through to from a text.
- Including diagrams that require less complex reading will help more people understand the information, especially those without strong math skills and those that prefer to learn things visually.

Income-based rent reviews explained

The Explaining Rent (Tools & Resources) Guide includes example templates that can be used to communicate rent to applicants and renters. The Rent Review Explainer templates help to explain:

- What rent reviews are;
- How rent reviews work;
- What they need to do during rent reviews;
- How we review the amount they pay;
- How they amount they pay could change;
- How the amount they pay has been calculated;
- How the amount they pay could change;
- What they're required to tell their CHO;
- Steps they can take if they still have questions.



How to use the Rent Review Explainers

Proactively

These have been designed to be used as a proactive piece of communication and to be shared with applicants and renters, rather than expecting them to find it themselves.

Share this:

- As their rent is coming up for review;
- If they ask questions about how rent reviews work;
- If they ask for their rent to be reassessed.

In conversations with applicants and renters

The explainer templates have been designed to help you and your renters understand the same things when you're talking about rent reviews. While it may be the first step in explaining rent reviews, for some renters a conversation will make things clearer.

- Use it as something you both have in front of you during conversations about rent reviews;
- Print it out double sided, write on it in front of them to help them understand how it applies to their personal income.

To reflect your CHO's practices

Each Community Housing Organisation may run their rent reviews slightly differently. There are 4 key pieces of information that you will need to update on the template before sharing it with renters.

1. How often you run your rent reviews;
2. Which documents you accept as proof of income;
3. How often renters need to pay rent;
4. The percentage you take from the household's assessable income illustrated in the diagram.

Update the rent diagram to illustrate your CHO's approach

1. Find the correct infographic from the list in the Explaining Rent (Tools and Resources) Guide;
2. Enter merge fields anywhere \$XXX exists, from your tenancy software/rent calculator tool;
3. Merge details.



Insights into the reader

Their mindsets

Content mindsets speak to both the user's context and their understanding of community housing.

They help us design content that best meets renters changing needs. They allow us to make communications more useful and actionable. The explainer templates are broadly aiming to move people from unengaged to reassured.

Consider these mindsets when you communicate with renters about rent reviews.

Engage me

I'm interested in understanding my rights and responsibilities, but I'm not yet invested. I need digestible content that draws me in and tells a compelling story during key moments.

Reassure me

I'm not yet fully convinced that my rent has been set appropriately. I need content that builds my trust, sets clear expectations, and addresses my concerns directly.

Things to keep in mind about the renter reading this

- They may only have a basic understanding of how rent works in community housing. They are reading to try and get their bearings.
- Research shows some people rely on their children translating information for them. If you make any edits to this explainer, make sure they are aimed at a grade 6 reading level.
- Different renters prefer receiving communications in different ways. It's important to consider, or ask, which way best suits each renter. It may be that creating several versions would suit more renters' needs (e.g., providing it in a letter, an email, or a link they click through to from a text).
- Not all readers have strong math skills. It's important that the explainer includes diagrams that require less complex reading.

