

Rent setting Formula of HF and Glenloch Inc 'Glenloch' Properties

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Dear Secretary

Thank you for your correspondence regarding rent setting at the Glenloch properties. We acknowledge the concerns raised and respond to each in turn below.

1. Rent increases following transfer

Following the transfer of Glenloch to HousingFirst in August 2023, rents were aligned with the standard community housing rent-setting framework required of registered housing associations. Prior arrangements were materially below sector benchmarks and not sustainable for long-term maintenance and compliance.

2. Basis of market rent

Market rent is used as a regulatory ceiling, not the amount residents pay. HousingFirst undertakes independent market rent reviews in line with legislation, and the rent payable is the lower of assessed market rent or income-based rent.

3. Treatment of Commonwealth Rent Assistance (CRA)

The inclusion of CRA in rent assessments is standard practice across Victorian community housing and is explicitly permitted under state guidelines. CRA is applied to ensure affordability while maintaining service viability.

4. Application of a standard rent model to bedsits

HousingFirst is required to apply a consistent, transparent rent methodology across all properties. The regulatory framework does not allow bespoke rent models based on historical arrangements or individual dwelling history.

5. Charitable status and tax compliance

HousingFirst remains a registered charity regulated by the ACNC and the Victorian Housing Registrar. Our rent-setting approach for all units (including bedsits) meets the ATO GST Compliance and rents are well below 75% of the ATO benchmark market rents.

6. Use of rental income and development activity

Any operating surplus is reinvested into housing supply, asset renewal, and service delivery in accordance with our charitable purpose. Financial sustainability is a regulatory obligation, not an optional activity.

7. Historical assurances made by Glenloch

While we recognise the history of Glenloch, HousingFirst cannot operate outside the current legislative framework. All residents now hold tenancy arrangements that provide security of tenure under Victorian law.

8. Property condition and maintenance

We acknowledge that some properties require significant renewal. Asset condition issues largely pre-date transfer, and rent alignment is necessary to fund planned maintenance and refurbishment over time.

9. Governance and structure

HousingFirst's governance and corporate structure is regulated by the Housing Registrar and complies with the Housing Act 1983 (Vic). There is no statutory requirement to establish a separate trust for transferred assets.

We understand that change has been difficult for many residents and remain committed to engaging constructively, meeting our regulatory obligations, and supporting residents to sustain their tenancies.

Yours sincerely,
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