



Part Rental Policy

Category:
Reference:

Date Approved: May 2020
Date Published: May 2020

Responsible Office: Housing Department

Date Last Revised: February 2023

SUMMARY

The primary aim of the policy is to provide temporary financial assistance to families with a housing application who as a result of social discomfort has had to resort to private rental. The Financial assistance is in the form of part payment of the rental cost for a specific period of time. The assistance is subject to financial assessment on the income and expenditure of client and can be renewed upon expiry.

All applicants who enter the program must have a valid lease/rental agreement and all payments will be made directly to the landlord. The assistance is valid up to six month and is renewable. However, should the applicant be assisted with a House or moves out of the rented accommodation, he/she will be removed from the program.

The program is a temporary measure to alleviate the financial burden on families while they wait for the long-term housing solution.

STATEMENT

The Policy provides a framework and guideline for PART RENTAL assistance that the Government provides to tenants renting on the private market but who finds themselves in difficult financial situation. The assistance is for a temporary period and is subject to continuous reviews every 6 months minimum.

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.

Applicants must;

- a) Have a Housing application and actively contribution towards the Home Saving Scheme (HSS) for the past 3 months
- b) Be in employment
- c) Have a valid rental agreement with details of the landlord contacts and account number

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 (backed up by the District Authority - supporting letter when they apply).

All applicants who's applying under the sub-section must

- a) Provide proof of funding/loan for repair/maintenance or reconstruction
- b) Have a valid contract with contractor who is going to undertake the repair/maintenance or reconstruction and the duration of the works must be clearly stated in the contract.

- c) Have a valid rental agreement with details of the landlord contacts and account number

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 under this policy.

2. Application

All application shall be made through the Customer Service Centre 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) N.I.N
- f) Contact details of the Landlord and account number

An exception to b) above can be made on rare circumstances whereby the landlord is refusing to give a rental agreement to the tenant. In such circumstances, the applicant must submit receipts of at least three months payment of rent plus confirmation that he/she is residing in the rented unit (e.g. utility bills)

3. Additional information required

3.1 All applicants by virtue of their application give consent for the Ministry to obtain any other relevant information from other institutions on the client pertaining to his/her household income and expenditures

3.2 Home Savings Scheme statements from HFC (if relevant)

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

4. Financial Assessment

Upon meeting the laid out criteria above, the applicant will be subject to a 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 (single or combined) not exceeding Rs. 19, 000 monthly 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) Contribution from members of the household*
- f) 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 not exceeding Rs. 15, 000 monthly*
- 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*
- j) School Internet facility (children only), to a maximum value of Rs.500 only.*

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) Other utilities such as paid TV packages*

5. Financial Assessment Analysis and Interpretation

5.1 Applicant whose monthly expenditures cancels out their income and is in the negative or has a surplus of less than SRs. 2, 000 will be eligible for Part Rental Assistance

5.2 Applicant who has a surplus of more than Rs. 2, 001 per month will not be eligible for Part rental Assistance

6. Non-qualified applicant

6.1 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 with housing application but not consistently paying their HSS (3 months minimum)*
- c. Applicants or partner who has is not in employment without a valid medical certificate.*

d. 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.

e. Applicants who have been assisted by government previously.

7. Part Rental Remuneration

7.1 The maximum amount of assistance shall not exceed Rs. 7000

7.2 Subsequent to section 5.1 and 5.2 part rental assistance shall be calculated as follows;

All applicants should contribute 45 % of their income (after tax) towards their house rent.

Part rental assistance will form the basis of the balance payment to cover the rent.

Assistance = Rent – 45 % of Income

8. Duration

8.1 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.

9. All payments for part rental assistance shall be made payable directly to the landlord banks account.

10. Rental of Rs. 15, 001 and above will not be considered for processing.

11. Applicant(s) with salary or combined income above Rs. 19, 000 will not be eligible for Part Rental assistance

12 All Part Rental application will be vetted and approved by a Committee. Members of the Committee shall be nominated by their parent Ministry and other organisation in the Housing, Social and Finance Sector. The committee shall constitute of 6 members with clear terms of reference define by the Ministry of Lands and Housing.

13. The Ministry of Lands and Housing 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

Contact Information

Housing Department
