

PROPERTY HANDBACK FACT SHEET AND FORM



This Fact Sheet explains what a property handback is and when it may occur, how the property handback process is managed by CEHL in partnership with a co-op.

A *property handback* may occur when a property no longer meets the requirements or standards of a co-operative (co-op) or the Program. Handbacks can be initiated by a co-op or CEHL according to the CEHL Program Principles*.

A Co-op's Future Directions Plan (FDP) outlines the long-term plan (asset intent) for each property, matched to the co-op's agreed housing needs to provide suitable properties to meet the co-op's needs.

Reasons to handback a property

A property might be handed back to CEHL due to:

- extreme difficulties in attracting tenants e.g. low demand in the local area
- the co-op needs different housing stock e.g. houses with more, or less bedrooms
- the age/type of the property has structural concerns, or is structurally damaged, requires significant major works which are too expensive for the co-op or CEHL to fund
- to comply with CEHL program policy in response to:
 - loss of membership
 - death of renter
 - VCAT or court order
 - Program obligation to Program Participant

Starting the handbank process

A co-op may request to hand back a property to CEHL at any time. If the co-op does not have a FDP, the request must be put to the CEHL Board to consider.

If a co-op has a signed FDP, with assets agreed for hand back, then the process will commence when:

- the property becomes vacant OR
- the property requires major work

CEHL may initiate a required property hand back when:

- the property does not meet the program standards
- works required to the property are financially unviable

Responsibilities of the CERC

When a CERC has a property with an asset intent of 'handback', the co-op, as the rental provider, has responsibilities for that property before handback commences; and during the handback process.

The Co-op/Common Equity Agreement (CCA) requires properties to be handed back in the condition as it was allocated to the co-op allowing for 'fair wear and tear'. This may not apply if a property's Asset Intent is 'handback – no further major work'; OR CEHL assesses that the handback offsets maintenance costs for the co-op and CEHL.

CERC RESPONSIBILITIES OF A HANDBACK: BEFORE IT IS APPROVED BY CEHL

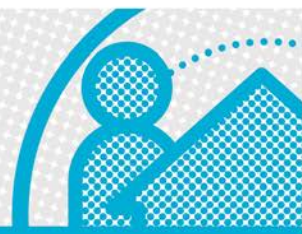
- Undertake urgent maintenance as per the Residential Tenancies Act.
- Undertake minor maintenance as per the Residential Tenancies Act, in consultation with their Property Officer.

AFTER APPROVAL BY CEHL

- Undertake urgent maintenance as per the Residential Tenancies Act (until vacated).
- Manage the property after it is vacant, to reduce the likelihood of vandalism or squatters and to comply with insurance obligations (i.e. lawns mown; ensure doors and windows are securely closed; ensure all security and smoke alarms are working; remove junk mail; keep garbage bins out of sight; ensure the property is driven past at least fortnightly).
- Continue to pay Company rent for the handback property to CEHL up to three months from the effective date of the handback.

*The Program Principles provide the Co-operative Housing Program's rules of conduct. The Program is also governed by various legislation and regulation including: Residential Tenancies Act 1997(RTA), Performance Standards for Registered Housing Agencies (administered by the Victorian Housing Registrar

PROPERTY HANDBACK FACT SHEET AND FORM



Properties marked as 'review upgrade or handback' within a co-op's FDP will be inspected by CEHL:

- As part of the regular inspection cycle
- When there is a vacancy
- or if any unexpected major issues arise with the property

The inspection by CEHL will inform the conversation between CEHL and the co-op to identify the most suitable option for the property in the long-term.

Tips for a timely handback

1. **Let your Co-operative Development Co-ordinator (CDC) know that your co-operative is planning to handback** a property as soon as possible. They can help you understand the process and arrange assistance from the Asset Management if needed.
2. **Provide all the documentation** CEHL requires (see: The CERC will need to provide below) when your co-op submits the formal request to start the property handback process.
3. **If you are not sure about what to do next or, what CEHL is doing, contact your Co-op Development Coordinator** on 9208 0800
4. **Do your co-op Future Direction Plan!** We can process the handback faster if you have an FDP in place.

SUBMITTING A PROPERTY HANDBANK REQUEST



The CERC will need to send to CEHL:

- Property Handback Form
- Minutes from a special general meeting or directors meeting confirming the co-op's decision
- A recent council rates notice
- A recent water rates notice

Send all documents to cdsteam@cehl.com.au

Completing the form

The Property Handback Form is set up so you can attach documents to the form.

- Save the form to a folder on your computer
- Open the form using Adobe Acrobat Reader DC
If you don't have Adobe, click here to [download Adobe Acrobat DC](#), it's a free software program, which will allow you to attach documents to the form

- Complete all details, attach documents and email to cdsteam@cehl.com.au

Alternatively, print the form, fill in by hand and send by email with copies of required documents to cdsteam@cehl.com.au

DEFINITIONS

Property Handback

CERC and CMC using Co-operative/CEHL Agreement (CCA) OR CMC/CEHL Agreement (CCA): Return of a property that a co-operative has listed on the First Schedule of their CCA.

CMC using Interim Management Agreement: Return of a property that a co-op has listed on their Schedule 1 of the Interim Management Agreement.

First Schedule

The First Schedule is part of the Co-op / CEHL Agreement (CCA). It lists the properties that the co-op manages as the rental provider and the amount of 'company rent' they pay to CEHL.

Schedule 1

Schedule 1 is part of the Interim Management Agreement. It lists the properties and renters allocated to the CMC.

Future Directions Plan (FDP)

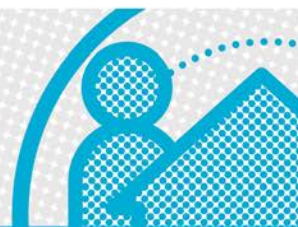
A Future Directions Plan (FDP) is developed by the co-op with CEHL, to plan for their future. It considers people, properties and finances. An FDP will detail how the co-op will make the best use of their current resources and plan for future needs. An FDP may identify a property for handback at a future date.

Asset Intent

The long-term plan for a property.

An Asset Intent is determined through the FDP process by considering the member, co-op and CEHL assessments of the property. A property listed in an FDP as 'review, upgrade or handback' means there will be a conversation between CEHL and co-op to identify the most suitable option for the property in the long term.

PROPERTY HANDBACK FORM



PROPERTY HANDBACK FORM

Please fill in, attach all relevant documentation and email to your Co-op Development Coordinator.

Co-op Name			
Property Address			
Is the property vacant?	Yes	No	Vacate date/Expected
Location of keys (return all sets of keys unless tenanted – one set required)			

CO-OP INITIATED HANDBACK

Why is the co-op requesting handback?

The co-operative needs different housing stock
(houses with more, or less bedrooms)

A property has been structurally damaged by flood or fire
and is too expensive to repair

Extreme difficulties in attracting renters

Other (please give details)

CEHL INITIATED HANDBACK

Reason CEHL has requested handback

Property no longer meets minimum Program Standards

Low demand location

Death of renter

Loss of membership

Non-member housing obligations

VCAT or court order

Major or structural works are cost prohibitive or works
required to the property are financially unsustainable

Other (please give details)

DURATION OF HANDBACK

Permanent handback of property

Temporary handback of property

If temporary date expected for property to be returned to co-op Date:

REQUIRED DOCUMENTS TO ATTACH

If the co-op has a signed (Futures Direction Plan) FDP:
Minutes of a Directors meeting or letter from the board

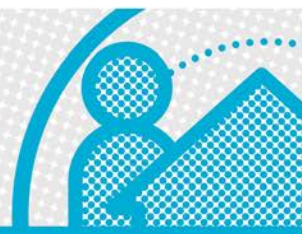
Recent Council Rates Notice (CERC only)

If the co-op does NOT have a signed FDP:
Minutes of a Special General Meeting or letter from the
board

Recent Water Rates Notice (CERC only)

Any other documents relevant to the property handback

PROPERTY HANDBACK FORM



CO-OP PROPERTY REPORT

Have any works been completed by co-op

Yes - Only minor /scheduled maintenance. Please attach list of recent works/compliance checks

Yes - Renter self-funded modifications please describe. Please attach photo (optional)

No

Is there an Owners Corporation linked to this Property?

Yes – Please provide name and contact details for the owners corporation number and owners corporation managers number (if known)

Owners Corporation Name:

OC Number:

Manager's Name:

Manager's Phone:

No

When was the property last inspected on behalf of the co-op?

Date:

Are there any other issues we should be aware of? Please attach photo (optional)

CHECKLIST FOR CERC

CERC responsibilities until handback is complete:

Undertake urgent maintenance as per the Residential Tenancies Act

Undertake minor maintenance as per the Residential Tenancies Act, in consultation with the CEHL Property Officer

Continue to remove mail and junk mail

Ensure smoke detectors and alarms are working properly

Remove all rubbish and goods left behind by renter as per CAV guidelines

www.consumer.vic.gov.au/housing/renting/ending-a-lease-or-residency/goods-left-behind

Continue lawn mowing and garden care

Ensure windows and doors are securely closed and locked

Ensure the property is monitored at least fortnightly

Continue to pay council and water rates

CEHL OFFICE USE ONLY

CDC – Please ensure all necessary fields are filled in and check all documents are attached. Please give any further information relevant to this handback (e.g. temporary handback, renter circumstances) and upload this form to Greentree.

For loss of membership and short-term lease:

Name of current renter:

Phone :

Short term lease end date:

Other: