

## Affordable Rent Tenancy

March 2016

### Introduction

This guide outlines the key features of the Group's Affordable Rent tenancies to help you decide whether you would like to apply.

### Who can apply?

The Group will prioritise Affordable Rent homes for letting to low-income working households, where possible, and has developed criteria to support this approach.

#### Income criteria

When assessing any applicant who is working we apply the following criteria:

- Applicants must have a household income of less than £60,000 if applying for a property outside of London, less than £71,000 if applying for 1 or 2 bedroom properties inside London and less than £85,000 if applying for a 3 bedroom property or more, inside London.
- The Affordable rent we set must not represent more than 40% of an applicant's monthly household income.

#### Other criteria

Applicants must also demonstrate:

- That they require the size and type of accommodation - we may allow under-occupation by up to one bedroom at our discretion.
- They do not own another property and they will use this property as their sole residence.
- They have a right to rent in the UK and in principle, have access to public funds (such as Housing Benefit) should they need to claim in the future.

### Rents

For the Group's Affordable Rent properties, the rent levels are set at 70% of the market rate in London and 80% of the market rent elsewhere.

As an example:

- Full Market rent in London - £1450 / month  
70% Affordable Rent - £1015 / month
- Full Market rent outside London - £950 / month  
80% Affordable Rent - £760 / month

The basic rent you pay includes the cost of providing any communal services relating to your home, such as communal cleaning, gardening and lighting.

Your basic rent will not include any utility or personal costs for the home you live in – such as heating, hot water, gas, electricity, water or council tax, even if these services are provided through communal facilities. If these services are provided through communal facilities, we will make an additional charge.

From the first year of your tenancy the rent will be reviewed each January. If your tenancy started after 1<sup>st</sup> September 2014 your rent will be reviewed on the anniversary of your tenancy start date. The basic rent will track the previous September's retail price index figure, plus 0.5%. The retail price index reflects changes in the cost of living. This means that your basic rent may move above or below the original percentage of market rent during the course of the tenancy.

Each time we renew the fixed term tenancy a new affordable rent will be set in accordance

with the rent setting regulations that apply to Affordable Rent at that time.

The rent set for your property is not negotiable.

## Tenancy

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The first Affordable Rent tenancy that we grant is normally for a total fixed period of 6 years, this is made up of a standard tenancy term of 5 years plus an additional probationary period of 12 months at the beginning of the tenancy.

During this probationary period we monitor the way you manage your tenancy more closely to ensure that you are right for the property. If we feel you are not managing your tenancy to our satisfaction during this probationary period we may extend the probationary period to 18 months to give you a chance to improve or, if we decide the issues are too serious or you are not responding to our concerns, we can give you two months notice that we want the tenancy to end, this is a mandatory ground for possession which means that a court will usually agree with our request.

If at the end of the first 6 years all parties want to renew the tenancy then we would grant a new 5 year fixed term tenancy – there is no need for another probationary period. This would continue at each subsequent renewal.

Sometimes we may have a good reason to grant a tenancy of less than 5 years, but it wouldn't ever be less than 2 years. Good reasons include planned major works for the building; if this applies then we'll explain your options in more detail.

Even though this is a fixed term tenancy, you can bring this tenancy to an end at any time by giving us four weeks' notice. So it is very flexible for you whilst giving you the reassurance of the fixed term.

This also means that after the probation period has ended, if you continue to use the property as your main or only home, we may only end your tenancy during the remainder of the fixed term by getting a court order for possession on one of the grounds stated in the tenancy agreement.

Nearer the end of the fixed term we will meet with you to assess whether you still meet our eligibility criteria for Affordable Rent and to talk about other options that may be available to you, such as Low Cost Home Ownership including Shared Ownership or even full Market Rent options.

If your circumstances have not really changed so you are still a good match for the property and you have been managing your tenancy well then we would expect to offer you a renewal of another fixed term Affordable Rent tenancy, we'll recalculate the rent at this point too. You'll have several months to consider this offer and can accept or decline as you choose.

However the Group may decline to offer a new tenancy if they feel your financial or personal circumstances have changed in a way that would make you ineligible – including (but not exclusively) where your financial circumstances exceed the eligibility criteria or you are over-crowding or under-occupying the property or you no longer have a need for subsidised housing. They may also decline if the property will not be available for letting due to planned works or redevelopment. You may appeal against a decision if you think it is unreasonable or in breach of our policies.

## Applying for a property

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All applicants must pay a non-refundable administration fee of £130 before they can be approved and offered a tenancy. This will cover reference fees and administration costs of the assessment.

### Reference & credit check

We use an external company, Rentshield Direct to carry out a reference and credit check on all Affordable Rent applicants.

You will be required to provide them with details of your current employer (if there is one), a previous landlord and other details to enable them to carry out a credit check.

Only applicants passing our reference process will be offered an Affordable Rent property.

Please refer to our References Quick Guide on References if you have any concerns about this aspect.

### **Deposit**

Once you accept an offer of a tenancy you will be required to pay a deposit of one months rent before the tenancy starts. The deposit is registered with and paid directly to a government approved Deposit Protection Scheme – [www.depositprotection.com](http://www.depositprotection.com)

Your deposit is protected under the terms of the Deposit Protection Scheme, which will ensure it is returned to you in full at the end of your tenancy, unless we have proven that we are entitled to claim some or all of it.

### **Inventory**

We will use an independent external company to carry out a check-in inventory at the start of the tenancy. At the end of the tenancy we will follow up with a similar check-out inventory once you have vacated the property.

Deductions from the deposit can be made for damage to the property, its goods or for rent arrears.

## **Finding an Affordable Rent property**

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### **Which properties are they?**

The Group currently has mostly one bed and some two bedroom Affordable Rent properties available. Some larger properties are also available.

All of our Affordable Rent properties are finished to a high specification with carpets and white goods (these will be specific to each property).

New properties are being built as part of our Affordable Homes development programme.

The Group is also converting some existing properties to Affordable Rent as and when we re-let them.

### **Advertising**

The Group advertises its Affordable Rent properties in a variety of ways including internet letting sites and local newspapers. We also use

Local Authority Choice Based Letting (CBL) systems in some areas.

Most of our Affordable Rent homes are also advertised on the Group's internet site [www.shgroup.org.uk](http://www.shgroup.org.uk).

## **Related Policies**

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### **Pets**

You must not keep any cat, dog or other pet (other than small birds in a small cage or fish in a small aquarium) without first obtaining our written consent and you must keep any such animal under proper control. We do not usually consent to dogs, cats or other animals in any Affordable Rent property, other than in exceptional circumstances, strictly in accordance with our policy.

### **Joint Tenancies**

In line with the Group's current policy, we will usually offer joint tenancies to spouses, civil partners or those in a relationship living as spouse or civil partners. All proposed household members will be included in eligibility assessment process.

Sole tenants cannot apply for another person to be added as a joint tenant until the end of the fixed-term tenancy, at which point both residents will be reassessed to check they meet the qualifying criteria for the tenancy and are suitable for the property.

### **Passing on the tenancy by assignment**

There is no right to pass the tenancy to another person other than on death. If one of joint tenants wishes to be removed from the tenancy then this can only be achieved by ending the tenancy for both tenants.

Any remaining joint tenant or household member wishing to take on the tenancy can ask to be considered as a new applicant for the property during the notice period. If accepted they will need to go through a full application process including non-refundable administration fees for reference and credit checks. The rent will be recalculated as for a new letting.

We may decline to allow a direct applicant in this circumstance without further reason. If the application is rejected or fails during the reference stage the remaining tenant or residents will have to vacate the property at the end of the existing tenancy.

### **Passing on the tenancy on death**

Affordable Rent tenants have a statutory succession right to a joint tenant, spouse or civil partner.

Though the Group will not offer any additional contractual rights to Affordable Rent residents, upon the death of a sole tenant we will consider other requests from household members but we will be under no obligation to explain our reasons for refusal.

### **Exchanging tenancies**

Affordable Rent tenants have a right to request a mutual exchange with a tenant of another social landlord where that tenant holds a suitable tenancy. The Group will not unreasonably refuse these requests in line with tenant's statutory or contractual rights in the tenancy. Further details of the right, any conditions and grounds for refusal are available on request.

## **Further information**

If you would like any more information on this or any of our other policies or services please contact our customer service centre or go to our website [www.shgroup.org.uk](http://www.shgroup.org.uk). Contact details can be found on our webpage, on our Information Card or in Open Door- your residents' newsletter.

## **Feedback and Complaints**

If you have something to say about the Group's policies and procedures or the information we provide on them then let us know. Please address this feedback to Policy Services Team c/o PO Box 643, Horsham RH12 1XJ or email to [service.centre@shgroup.org.uk](mailto:service.centre@shgroup.org.uk) marking the email 'Policy Feedback'.

If you have a complaint then either our Customer Service Centre or local staff will attempt to deal with it and resolve it. If we can't find a solution in this way, or if you prefer to deal with the matter more formally, then our complaints procedure will help you. Ask the Customer Service Centre for a leaflet which tells you how your complaint will be handled.

All complaints are dealt with in strict confidence. Our commitment to fairness means that you will not be treated differently if you make a complaint about our service.

For help with translations, or if a large type, Braille or taped summary would be useful, contact the Service Centre.

<b>Arabic</b>	لتلقي المساعدة في الحصول على نسخ مترجمة أو إذا كان من المفيد بالنسبة لكم تلقي نسخ مطبوعة بطباعة مكبرة، أو بطريقة برايل للمكفوفين، أو مسجلة كملخصات على شريط تسجيل صوتي، فيرجى الاتصال بمركز الخدمة <b>.Service Centre</b>
<b>Bengali</b>	অনুবাদে সাহায্য পেতে হলে অথবা বড় অক্ষর, ব্রেইল অথবা টেপে রেকর্ডকৃত সারসংক্ষেপ শুনতে চাইলে সার্ভিস সেন্টারকে 0300 303 1682 নাম্বারে ফোন করুন।
<b>French</b>	Contactez le Centre de services pour obtenir de l'aide sur les traductions, ou si un résumé en gros caractères, en Braille ou enregistré s'avère nécessaire.
<b>Somali</b>	Si lagaaga caawiyo turjumista ama haddii aad jeclaan lahayd farta waaweyn, farta indhoolayaasha (Braille) ama warbixin kooban oo cajilad ku duuban, la xirii Xarunta Adeegga.
<b>Spanish</b>	Si necesita traducciones o resúmenes en letra grande, Braille o casete, póngase en contacto con el Centro de Servicios.
<b>Turkish</b>	Tercüme konusunda yardım için, veya iri puntolu, Braille körler alfabesi ile yazılmış ya da ses kaydı olarak bir özet isterseniz, 0300 303 1683'ten Hizmet Merkezi'ni arayın.