

October 2011

Important information about tenancies and rent



➤ **Factsheet 20.**



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

New types of tenancy

The Government has announced major changes to the way councils and housing associations rent out homes.

There will be two types of rent:

- Social rents
- Affordable Rents

and two types of tenancy:

- Lifetime tenancies
- Flexible tenancies

Why the change?

The Government has brought in these changes to ensure that housing associations can continue to build new homes with the money they get from higher rents.

Who is affected?

Most of the changes will only affect new tenants, but existing tenants may be affected if they move home.

Rents

At the moment housing associations rent homes out at social rents. This is a rent worked out using a calculation decided by Government. Housing associations will now be allowed to offer some tenancies at higher rents to new tenants which could be up to 80 per cent of a market rent. Market rent means the average rent in the area that someone would pay if they were renting the property from a private landlord. This is called “Affordable Rent”.

Housing associations will be able to charge the “Affordable Rent” on new build homes and will also be allowed to let some of their existing properties to new tenants at Affordable Rents. Many housing associations will try to keep rents on larger homes (three bedrooms or more) closer to social rents.

Length of tenancy

The Government will be introducing a new tenancy called a “flexible tenancy” for new council and housing association tenants.

Unlike existing tenancies, which are tenancies for life, the new “flexible tenancies” will be for a limited fixed-term.

The length of a “flexible tenancy” will generally be five years or more, but in some limited circumstances they may be as little as two years. Landlords may continue to let properties on “lifetime tenancies” if they wish.

The tenancy length (“lifetime” or “flexible”) will be set by the landlord at the start of the tenancy and will also generally depend on the circumstances of the household.

When do the changes begin?

From July 2011, housing associations have been able to offer affordable rent properties on a fixed term flexible tenancy.

From April 2012 all other tenancies from local authorities and housing associations may be offered on fixed term flexible tenancies.



Existing tenants

If you are an existing housing association or council tenant, you may be affected if you move home. If you seek a transfer you will need to pay particular attention to the rent and type of tenancy being offered.

It is important when you are making decisions about bidding for a property that you consider:

- if it is an Affordable Rent home
- whether you can afford the rent levels
- what the length of the tenancy will be.

You may wish to seek independent advice before you move.

Changes on Home Connections

To help people bidding for homes a change has been made to the property advertisements on the Home Connections website. Properties advertised at the new rents will be clearly marked “Affordable Rent”.

The tenancy length (lifetime or flexible) will be set by the landlord at the start of the tenancy. If the tenancy is not a lifetime tenancy, this will be clear on Home Connections.

How to find out more

Visit Shelter’s website

www.England.shelter.org.uk.

Information from this document can be made available in alternative formats and in different languages. Please contact Housingline on **020 7361 3008** or email housing@rbkc.gov.uk.



www.rbkc.gov.uk