

Important information about tenancies and rent

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 lengths:

- 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 there are some circumstances in which existing tenants may be affected if they move home.

Rents

At the moment Housing Associations rent homes out at Social Rents. Housing Associations will now be allowed to offer some tenancies at higher rents to new tenants which could be up to 80% 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 (3 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 tenancy length on a “Flexible Tenancy” will generally be 5 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.

All tenancies offered at an ‘Affordable Rent’ may be offered on a fixed term ‘Flexible Tenancy’. From April 2012 all other tenancies from Local Authority and Housing Associations may be offered on fixed term Flexible Tenancies.

Existing Tenants

Existing housing association and council tenants may be affected if you move home. Existing tenants seeking a transfer need to pay particular attention to the rent and type of tenancy being offered.

Affordable Rent properties which can be a flexible tenancy can be let by Housing Associations from July 2011, so it is important when you are making decisions about bidding for a property that you consider if it is an Affordable Rent home and if you can afford the rent levels and what the length of the tenancy will be. You may wish to seek independent advice before you move.

Changes on Home Connections

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

The tenancy term (Lifetime or Flexible) will be set by the landlord at the start of the tenancy and will generally depend on the circumstances of your household.