

Market rent policy

Introduction

Grand Union Housing Group primarily provides affordable housing which is let to people on the basis of housing need. In addition to our affordable housing, we have a portfolio of properties that are available at full market rent; these properties are managed under the Grand Union Living brand.

The portfolio includes a number of social housing properties that were converted to market rent as a result of demand issues or because they are located on a potential development site.

We also manage a portfolio of properties on behalf of other landlords that includes market rent properties.

Policy statement

Market rent properties are available to anyone irrespective of their housing requirements provided they can afford the rent. Market rented housing is a vital and growing part of the housing market that offers a flexible form of tenure, greater choice and meets a wide range of housing needs. This policy sets out how we let and manage our market rent stock.

Objectives

- A key strategic objective in Further Together (our corporate plan for 2020/23) is to build more new homes, achieving 400 new homes a year, which will include growing our market rent portfolio.
- Market rent is part of our wider programme of delivery. We will deliver this tenure within our risk appetite, to support land led delivery, generate cross subsidy and enable affordable homes to be built.
- We will continue to develop our commercial business stream, to provide an enhanced customer experience and increase the financial benefit for GUHG. Over the period of the current strategy we will develop a sales and commercial tenure IT system, to enhance the customer journey, enable process efficiency and improve management information.

Other related policies

Anti-social Behaviour
Probity Procedure
Strategic Asset Management Strategy

Policy details

Approach

Once a prospective customer has been found and verified, we will need to ensure we carry out referencing checks. To do this, we will need the customer's consent

for credit/referencing checks and the required information which is captured in the Lettings Registration form.

As part of complying with the General Data Protection Regulation we are expected to provide a privacy notice statement explaining how we use the personal information we hold about any individual. This will include any prospective customer or guarantors once we are in contact with them.

We do not discriminate against any potential new customers who are not working or who do not pass referencing checks due to affordability. We can accept a guarantor who is then legally bound to guarantee the term of the tenancy. A guarantor is someone who agrees to pay the rent or damages relating to a tenancy if the customer is unable to pay. Normally they will be a family member or close personal friend of the customer and also a homeowner in the United Kingdom (UK).

Preparing for re-let

Before we can sign a tenancy in England, we are legally required to check the right to rent status of any potential occupiers aged 18 or over to establish they have a right to rent in the UK. If we do not do this, we may face civil and criminal penalties if the Home Office discovers an occupier has no right to rent in the UK. Before a tenancy starts, we need to ensure the property is safe for the customer to live in. Many of these obligations also require us to provide our customer with proof that we have performed the checks. Customers are sent certificates via email and a sign-up checklist is electronically signed via Docusign.

Certificates

- valid EPC
- valid Gas Safety Certificate
- valid Electrical Installation Condition Report

Risk assessments

- check the property is safe from legionella
- ensure smoke alarms fitted on every floor and a carbon-monoxide alarm fitted if there is a solid fuel-burning appliance
- check that the property is compliant with fire safety legislation
- check there is nothing in disrepair in the property
- check the property is fit for human habitation

A maximum five weeks rental deposit is payable once a tenancy agreement is entered into and needs to be protected within 30 days of receipt.

When customers are entering into an assured shorthold tenancy agreement we are required to provide a copy of the latest version of 'How to rent: a checklist for renting in England' to all customers at the beginning of the tenancy. If we are renewing a tenancy and the document has been updated we are also required to provide an updated copy at the point of renewal.

The document is regularly updated and the gov.uk website does not keep older versions of the booklet on their website. As a result, if we do not provide the copy at the outset of the tenancy, we may miss the chance to serve a S21 Notice.

As a responsible landlord, we are expected to provide our customers with a number of additional certificates and documents confirming we are compliant with the law. If we do not have proof these documents were served, we may potentially be fined, or we may lose our rights to serve a possession notice.

Electronic sign ups were introduced in March 2020 at the start of the first Covid 19 lockdown. Tenancy agreements are sent via Docusign to the customer prior to the commencement of their tenancy.

Rent payment flexibility - arrears allowance during Covid-19

We recognised customers may encounter financial difficulties which is why we offered a period of “rent payment flexibility” during the first lockdown. This was a clear and easy way for customers to reduce their rental payments over the coming months, however we made it clear that the rent customers did not pay during this period would not be written off and will need to be paid at a later date.

The initial period for rent payment flexibility was two months. This was reviewed, depending on the outcome of the current coronavirus outbreak and we let customers know of any changes.

We did stress that we will not charge any interest or any fees for this arrangement.

We made it clear to our customers that if they are struggling due to the pandemic and they work with us, we will not take action should they fall into arrears.

We offered our customers a welfare and benefit referral if they required assistance in claiming Universal Credit (UC), and for those that did not require assistance we agreed an affordable monthly repayment arrangement.

For customers in receipt of UC who fall into more than eight weeks arrears (two months) we can apply to UC for direct landlord payments.

Accelerated possessions

Regulations extending the provisions of the Coronavirus Act 2020, mean that from 29 August 2020 landlords will not be able to start possession proceedings, in most circumstances, unless they have given their customers six months’ notice. Shorter notice periods will apply to certain cases where the landlord wants to evict the customer because of rent arrears of six months or more, anti-social behaviour, domestic abuse or false statement.

Notice of Coronavirus impact

As of 3 August 2020, all new applicants for accelerated possessions require a notice to be attached to the application. This notice must set out what information we know about how our customers have been impacted by the Coronavirus pandemic.

Breathing space

With effect from 4 May 2021, a 60-day breathing space period will see enforcement action from creditors, including landlords, halted and interest frozen for people with problem debt. During this period, individuals will receive professional debt advice to find a long-term solution to their financial difficulties. (This will be managed by our Financial Wellbeing team)

Antisocial behaviour

Caution is required when allowing local authority referrals due to experience with Anti-social behaviour (ASB)

Tenant fee ban

Until recently it was standard practice for landlords and agents to charge fees covering the cost of referencing and credit checking customers. Since the introduction of the Tenant Fees Act most fees charged to customers are now prohibited under the customer fee ban, including those for referencing and credit checks.

We can continue to take a holding deposit prior to the tenancy being granted but there are a number of rules and requirements around its use and the amount that you may take. A holding deposit continues to be an excellent way of ensuring the prospective customer is committed to taking on the tenancy.

Trade bodies

Member of Client Protection Money Protection Scheme – From 1 April 2019, it became a mandatory requirement that landlords must join a ‘client money protection scheme’ if they are a letting or property management agent in the private rented sector in England and hold clients’ money. These schemes make sure landlords and customers are compensated if the landlord cannot repay their deposit, for example if they go into administration.

Member of Property Redress Scheme - From 1 October 2014, it became mandatory that letting and managing agents are required to be a member of a redress scheme. The purpose of these schemes is to deal with complaints made by customers or landlords about agents. Essentially these are Ombudsman Schemes.

This means that both landlords and customers the right to independent redress if their agent cannot resolve a complaint to their satisfaction.

Member of National Residential Landlord Association (NRLA) – Grand Union joined NRLA in 2019. They are the UK's largest membership organisation for private residential landlords, supporting and representing over 85,000 members. They provide the expertise, support and resources needed for a rental sector that works for all. They represent members and actively recognise the contribution landlords make to the rental sector and the wider society, in the provision of safe, legal and secure homes.

Customer feedback

Market rent customers receive a survey when a repair is completed. Market rent customers are also included in the complaints and ASB surveys.

A survey for new build defects launched November 2020 will also include Market rent customers.

Monitoring

This policy will be reviewed as part of the on-going policy review programme.

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| Person responsible for review: | Director of Development and Commercial |
| Supported by: | Residential Lettings Agent |
| Ratified by: | Leadership Team 24 August 2021 |
| Date policy reviewed: | March 2021 |
| Date of next review: | August 2024 |