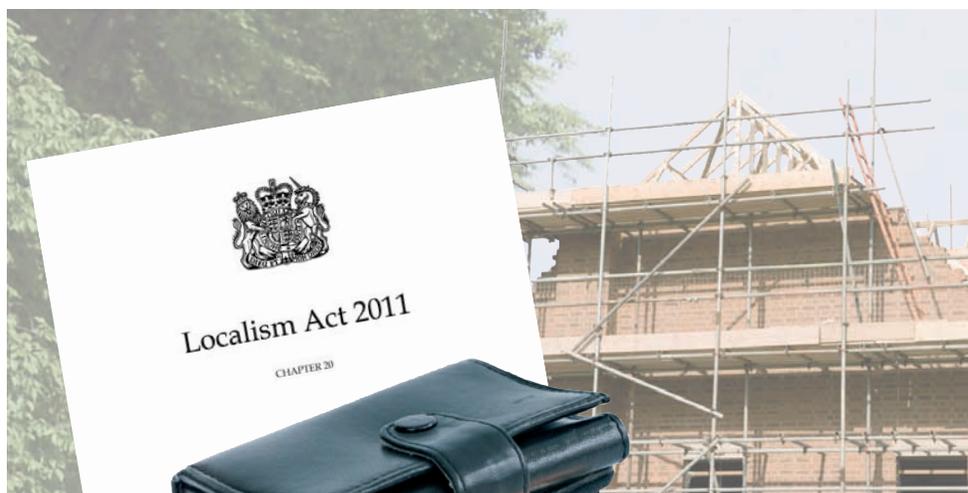


Affordable Rent



What is Affordable Rent?

The Government has brought in new legislation under the Localism Act which allows social housing providers, like Thrive Homes, to charge higher but “affordable” rents in order to pay for the building of new homes.

Affordable rent is set at a maximum of 80% of the market rent (average rent charged in the area for a particular property type). It will therefore be higher than current social rents but lower than the open market rent.

Thrive Homes will charge affordable rents for newly built properties and approximately 20 of its existing properties. An existing property will only be let at an affordable rent after it becomes vacant.

How are rent levels set?

Social rent (traditional rent charged for our housing) is set according to a government formula. Rent is adjusted annually until it reaches the agreed rent for a property of its size and type (target rent).

Affordable rent is set by the government at a maximum of 80% of the market rent. We are working with residents, local landlords, the council and a variety of other stakeholders to determine what affordable rent actually comes out at in the Three Rivers district. We expect to offer our new homes at a lower rate than the maximum 80% of market rent formula suggests. Rent on affordable housing will be increased each year at RPI + 0.5%. At the end of each tenancy we will review the affordable rent to make sure it is still in line with the maximum 80% of market rent.

How does this affect me?

If you became a Thrive Homes tenant before April 2012

The introduction of affordable rent will not affect existing tenants living in a Thrive Homes property unless you are looking to move. You may choose to bid for a property advertised at affordable rent or wish to transfer or mutually exchange to a property which is let at affordable rent.

Anyone with a social tenancy that started before the relevant part of the Localism Act 2011 came into effect will keep their current security of tenure even if they move by way of a transfer or a mutual exchange. The one exception to this is that if you move to one of the properties where the higher affordable rent is being charged we can also ask you to change to a fixed term tenancy.

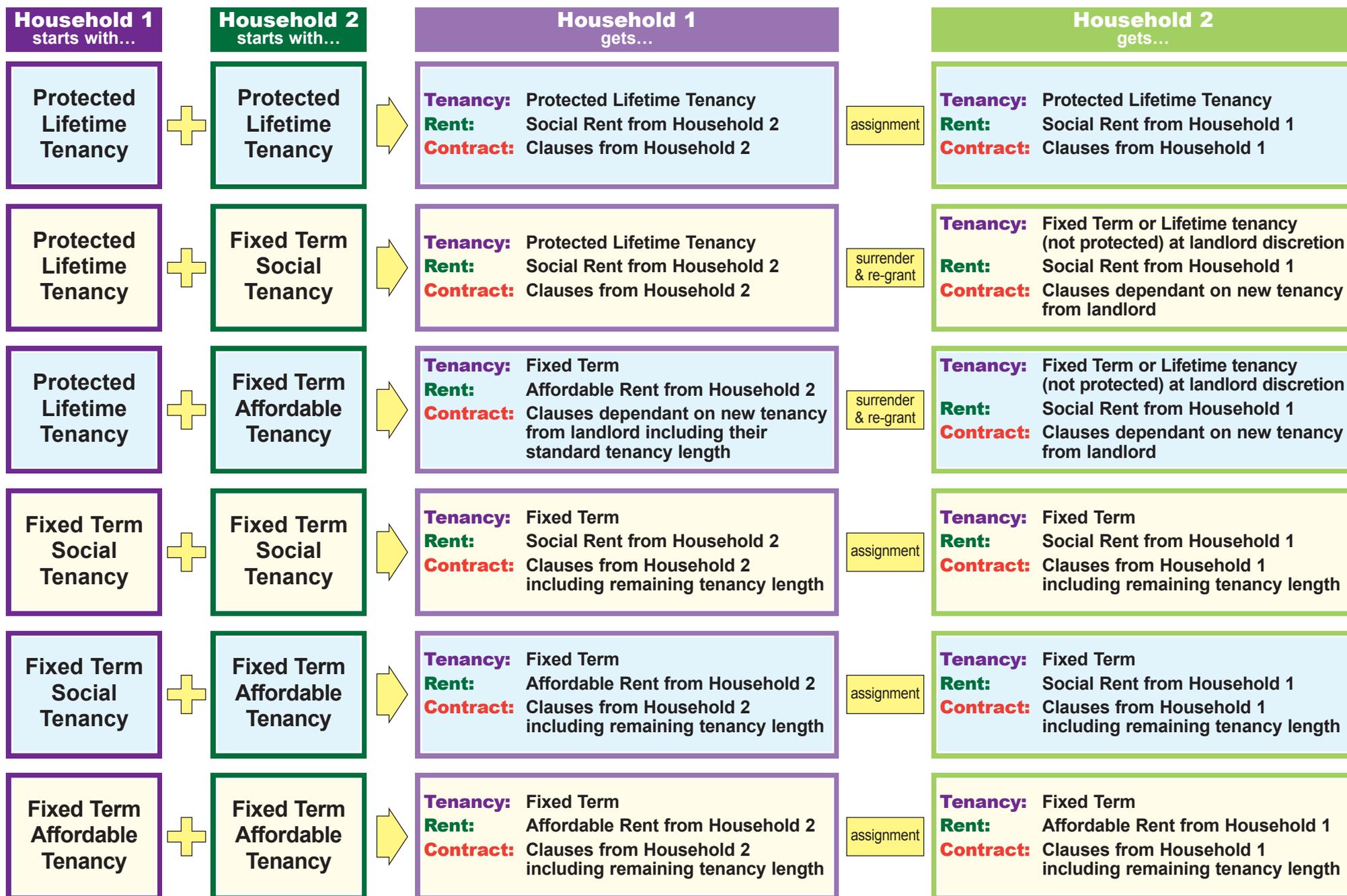
If you became a Thrive Homes tenant after April 2012

Your property may be let to you at an affordable rent. This will have been explained to you when you signed your tenancy agreement.

The diagram overleaf shows you some of the ways your type of tenancy and rent may alter if you transfer or mutually exchange your existing home for another. Do ask us for advice if you are planning to make a swap or move home as there are many variations – we have only shown the more usual ones here.

Please read our separate leaflet on *Housing Options* for further details, and talk to us if you are considering moving home.

How your tenancy and rent alters after Mutual Exchange



Why are affordable rents going to be higher than standard rent?

The way new social housing is provided has changed, and in future housing providers will have to borrow money from the private sector in order to build, and this will cost us more.

Thrive Homes will be building 30 new homes over the next few years which will be let at affordable rents. In order to help finance these new homes we will be applying affordable rents to approximately 20 of our existing properties when they become empty.

The rent will show on the Herts Choice Homes choice based lettings system. You do not have to bid for affordable rent properties. If you do bid and accept the property you will be committed to pay the rent shown.

Will the affordable rent be covered by housing benefit?

The Welfare Reform Bill will limit the amount of housing benefit payable to eligible tenants. There will be a reduction if the property has more bedrooms than the tenant needs. Tenants are advised to consult with housing benefit and welfare advice agencies before accepting an affordable rent property in order to ensure that they can afford it.

We will always make sure that the rents on all our properties are below the Local Housing Allowance for Three Rivers district. However, the limits on housing benefit (detailed above), will apply to everyone. The only exception is where you move to one of our affordable rent properties where the rent will be fixed at a maximum of 80% of market rent. We expect our affordable rents to be below this maximum but they will be higher than social rents.

Questions?

If you have any further questions about affordable rent, please contact us on 0800 917 6077.

Do you need extra tenancy or financial support?

Our friendly, experienced Independent Living team will be pleased to offer you helpful advice with managing your tenancy and your money. You can find out more on our website, or ring us for a confidential chat on 0800 917 6077.



Thrive Homes information is available in **large print**, on our website and spoken word translation. Please contact us free on 0800 917 6077 to discuss how we can help you. We want to ensure our services are fair, and accessible. If you know anyone who may need this type of help and support please tell us.

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