

# LANGSTANE HOUSING ASSOCIATION LIMITED

## RENT POLICY

### **AIMS**

The Association's Rent Policy is intended to produce rents which are affordable to the targeted client groups while at the same time preserving the viability of the organisation.

### **IMPLEMENTATION**

There are 3 criteria which are used in the development of the Rent Policy:

- Affordability to Tenants
- Viability of the Organisation
- Comparability with other Social Landlords

#### **Affordability**

The Association will maintain rent levels which are affordable to those in housing need particularly those in low paid work so that households with one person working 16 hours or more should only exceptionally be dependent on Housing Benefit to pay the rent.

#### **Viability**

The Association will calculate relevant costs and undertake that the resulting rents are the minimum necessary to meet those costs and ensure the viability of the organisation.

The relevant costs are:

- Management and Maintenance Costs
- Voids and Bad Debts
- Loan Charges
- Planned Maintenance
- Contribution to the Risk Reserve

The assessment of these costs is available on request.

#### **Comparability**

The Association compares rents charged by other Social Landlords and Local Authorities in the area, and the Private Sector.

Comparisons are made of the client groups, property sizes, types and location.

## **MONITORING AND REVIEW**

The Association will review rents in consultation with tenants on an annual basis using the formula of RPI (all items) plus a maximum of 1.5% to be applied to December's RPI.

The Association will review comparability on an annual basis by sharing rental information with partner organisations.

Affordability will be reviewed annually with reference to SCORE (Scottish Continuous Recording System) Data and in-house tenant income survey. The Association shall also review other affordability models in use elsewhere and apply them as appropriate.

The Association will commission an external affordability survey once every 5 years.

**Approved by Tenants' Services Sub Committee:      20 February 2009**

**Review Date:      Three Years**