

Our policy on Rent setting

We are committed to providing homes that our residents can afford. This policy explains how we set our rents.

We aim to set rents at the right levels, so that:

- people in low-paid work can afford them
- THCH can remain financially viable
- people continue to want our homes, and
- we meet housing law and the requirements of the Regulator of Social Housing.

In addition, we have to meet the terms set out in your tenancy and leasehold agreements.

This policy does not apply to:

- service charges (see our separate policy), or
- the charges we pass on for water or heating.

Annual rent changes

Your rent is reviewed every year and any changes apply from the first Monday in April. We will tell you the new amount to pay for your home at least one calendar month in advance.

If you rent a car space, garage or shed from us, we will give you at least a week's notice.

When we re-let a property, we are allowed to raise the rent by 5% above the target rents explained below. When the home is re-let again, we will keep the rent at this level, without adding a further 5%. We will review this policy annually.

How we calculate rents

From 1 April 2020 until 2024, our weekly rents for social rent and affordable rent tenancies will increase in line with the Government's Policy statement on rents for social housing (February 2019).

This lets us increase rents by up to CPI (a measure of inflation) plus 1%. We have to use the CPI figure from the previous September in our calculations.

Social rents

Unless the Board decides otherwise, we will set the rents for new and re-let properties using the Government guidelines.

Affordable Rents

The rent for these properties is either set at:

- 80% of the market rent (worked out using a method approved by RICS), or
- at the level of Local Housing Allowance (based on the



rents paid for the lowest 30% of local privately rented homes); or

- as agreed with the local authority as part of a development agreement.

Your affordable rent includes service charges and your yearly increase will apply to your rent plus service charge.

Each time the property is relet, we will check to make sure the rent we charge has not risen above 80% of market rent and that it still reflects local rent levels.

Tower Hamlets Living Rents

The Council's Housing Strategy formalises a 'Tower Hamlets Living Rent', similar to GLA London Living Rents.

This is based on making sure that someone with an average median income would pay around a third of their income on rent.

We will use this tenure, alongside Government rules, for any homes we develop in future – unless the Board decides otherwise.

Shared ownership rents

The rent for your shared ownership home depends on how much equity is held by THCH and on your lease conditions. We will adjust your rent each April. Most of our leases set out rises as RPI (a measure of inflation, taken the previous September) +0.5%.

Temporary social housing

We provide a small number of homes to the Council's Homeless Persons Unit for short-term temporary accommodation.

We can increase these rents at any time, after giving

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written notice. The increase has to be in line with our agreement with the Council.

Commercial properties

We set rents for our commercial properties in line with the terms of the lease.

We review these rents with assistance from a RICS surveyor.

Parking spaces, garages and sheds

If you rent a parking space, garage or shed, we can raise the rent whenever we choose. However, we currently raise them annually using CPI (a measure of inflation, taken the previous September) plus 1% – providing the Board agrees.

When a non-tenant rents one of these areas, we have to add VAT.

If we let to a company or organisation, we will set a commercial rent and set out how rents will increase in future in the lease.

This leaflet provides a summary of our policy.

[For more information](#) send a message through your 'My Corner' account, or email customerservices@thch.org.uk