

Rent setting



This leaflet explains how LMH sets the rents for its properties.

How rent is set

The Government wants to make sure that all social landlords set their rent in the same way and introduced a Rent Restructuring Policy in 2002.

The Government states that social landlords including housing associations and local authorities must all follow the same formula for setting rents, so that by 2012 different landlords operating in the same areas will charge tenants similar rents for properties of the same size and value.

To do this, the Government has said that the rent must be set using a formula. The formula has been created to calculate what is called "Target" rent. This is the rent the Government says should be charged for similar properties owned by different landlords in the same region by 2012.

The factors that are used in the formula

- the formula that is used takes into account:
- the national average housing association weekly rent
- the average earnings in Liverpool 1999 compared to the rest of the country as they were in 1999 (this is not personal income)
- the number of bedrooms
- the value of the property in 1999 compared to the national average value of housing association property in 1999.

The date 1999 was used as the Government wanted to get an idea of the difference in prices in different parts of the country at a point in time. They chose January 1999 as that point in time.

Rent increases for LMH properties lower than target rent

To make sure that rent increases are kept to an affordable level, the most that an LMH tenant's rent can increase by is inflation (Retail Price Index) plus 0.5% plus £2.00 charged weekly over 52 weeks a year.

LMH properties higher than target rent

Any LMH tenants whose rent was above target rent were moved to target several years ago. All LMH tenants are therefore on their target rent or below it and moving towards it on an annual basis.

LMH properties at target rent

When the target rent is achieved for the property then the future rents will only be increased by the Retail Price Index which is called RPI. This figure is set by the Government – it calculates the rate of inflation based on costs of thousands of different products.

Increases in rent

A target rent is reviewed annually on the first Monday in April. Once the new target rent is set, LMH send out a notice of increase a month before the new rent is due. The notice is the legal notification that the rent is going to change. The notice will state what the current rent is and what it will be changing to. This will include any service charges and any support charges.

What the rent pays for

Income from rents pays for the costs of managing and repairing our homes. If tenants do not pay rent they are directly impacting on the quality of services LMH can deliver.

Paying rent is an essential part of the tenancy agreement, if tenants do not pay their rent they are at risk of losing their home.

If you are experiencing difficulty paying your rent you should contact your Rent Officer without delay who will be able to offer practical help and advice.

Your questions answered

Q What can I do if I think the increase in my rent is too much?

We would ask you to get in touch with us and we can explain why your rent is going up.

If you are still not satisfied with the answer, then you can contact:

The Northern Rent Assessment Panel
20th Floor, City Tower, Piccadilly Plaza
Manchester M1 4BE

The committee will compare your rent to similar properties in the area. They can determine a lower or a higher rent.

Q If I do not agree with the rent set and I am going through the appeal process, should I stop paying my rent?

No, you should never stop paying your rent. Paying your rent is a condition of your Tenancy Agreement and by not paying you could risk losing your home.

If you are appealing against the rent you are charged, you should maintain payments and await the outcome of the appeal.

Q When my rent increases what do I need to do?

- if you receive Housing Benefit, you must inform Liverpool City Council's

Revenues and Benefits Department of the increase. You should do this before your rent is due to increase.

- if you pay your rent using a Rent Card you must increase your payments in line with the rent increase from the date it takes effect from. If you fail to do this your rent account will fall into arrears and you will be in breach of your Tenancy Agreement which could result in legal action being taken.
- if you pay by Standing Order you must contact your Bank to increase your payments. If you fail to do this your rent account will fall into arrears and you will be in breach of your Tenancy Agreement which could result in legal action being taken.
- if you pay by Direct Debit your payments will be automatically increased by LMH, as you can see this payment method is the easiest option. For further information on how to set up a Direct Debit contact your Local Area Housing Office on the numbers shown over the page.



**Rent setting - Translation, braille, audio tape
and large print available on request. Call us on 0800 678 1894**

Determinación del alquiler - Traducción, Braille, cinta de audio y letras más grandes disponibles a solicitud. Llámenos al 0800 678 1894. (Spanish)

Dejinta kirada - Turjumaad, farta braille ee dadka indhaha la', cajalad dhegeysi ah iyo far waaweyn ayaa la heli karaa marka la codsado Naga soo wac lambarka 0800 678 1894. (Somali)

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تعارف اوتتم قرى بىك تا عوبطمو توص طئ ارشو لى ارب فقى رطو تام جرت دجوت - رج أستملا دادع!
مقر ىلع انب لصتا بلطلا دنع 0800 678 1894. (Arabic)

تروص هب تا عا لظا نى ا تفاى رد ى ارب دى ناوتى م دى شاب لى ام هچنانچ - امب هراچا نى نى عت
اب بچاچ اى و ى توص راون ىور رب طبض اى (ناى انى بان صوصخم) لى رب فورح اى هم جرت
دى هد نى ساوخر د گرزب فورح 0800 678 1894 (Farsi)

厘定租金 如需翻译、盲文、录音磁带和大字版本
，请随时索取 请拨打 0800 678 1894 与我们联系 (Chinese)

 **0300 123 2300**

 **0800 678 1894**



LMH offices

All offices are open Monday to Friday, 9.00am to 5.00pm.

Please note, on Wednesday all offices are closed from 9.00am to 10:30am for staff training.

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