

England: NEW SOCIAL HOUSING MODEL LAUNCHED

December 13th, 2010

Housing Associations will be able to offer new tenants a new form of tenancy from April 2011. The Affordable Rent option will offer fixed term tenancies at a rent higher than the social housing standard for the area.



The number of people on waiting lists over the past 13 years has almost doubled to five million. The new arrangement is part of a package of measures that will affect all areas of social housing policy, giving councils and housing associations more flexibility to use their social housing stock to the maximum effect and drive down waiting lists.

Landlords will be able to offer the new tenancies in return for investment agreements, which will enable them to raise funds to build more affordable housing. The flexible tenancies will be for new tenants only. The lifetime tenancies and succession rights of existing council and housing association tenants will not be affected.

Housing associations will have the flexibility to convert vacant social rent properties to the new flexible tenancies at a rent level of up to 80 per cent of market rent, but only after they have reached an investment agreement with the Homes and Communities Agency about how additional rental income will be reinvested in delivering new affordable housing.

Under the plans, Affordable Rent properties will be allocated in the same way that social rent properties are now. Existing lettings arrangements operated by councils and housing associations will continue to apply and properties for Affordable Rent will be available through choice-based lettings where appropriate.

Where a landlord decides not to reissue an Affordable Rent tenancy at the end of the fixed term, the landlord will need to provide advice and assistance to help the tenant find suitable alternative accommodation. Landlords and tenants will be able to consider a range of end of tenancy options, including selling the property to the tenant via conversion to shared ownership.

Source: www.publicnet.co.uk