



**Langstane Property Limited**

**Mid Market Rent Policy**

<b>Approved by Leadership Team</b>	28 April 2022
<b>Performance Committee</b>	25 May 2022
<b>Approval date</b>	25 May 2022
<b>Implementation date</b>	30 May 2022
<b>Review date</b>	May 2025

<b>Version</b>	<b>Date approved</b>	<b>Changes</b>
Version 1	13 & 22 January 2014	First issue
Version 2	5 August 2015	Full re-write
Version 3	22 November 2019 (SMT)	Full re-write to take account of changes to legislation and new subsidiary
Version 4	25 May 2022	Minor Changes to take account of the current market - salary threshold increased following consultation with Aberdeen City Council. Clarification on letting agency status. Small number of changes to titles. Removal of Onelan

## 1. Introduction

Langstane Property Ltd is a wholly owned subsidiary of Langstane Housing Association and forms part of the Langstane Group. Langstane Property Ltd leases a portfolio of properties from Langstane Housing Association which are let on the basis of a private residential tenancy lease at a mid market rent (MMR).

The aim of this tenure is to bridge the gap between social housing and the private sector and assist people on low and modest incomes to access affordable rented accommodation.

Langstane Housing Association acts as managing agent for Langstane Property Ltd.

Investing in our Communities is a key activity for strategic investment in the Langstane Group's Business Plan. Creating and maintaining mixed tenure schemes which includes mid market rent, leads to more balanced communities and increases tenancy sustainment.

Effective financial management is a strategic priority for the Langstane Group and by allocating properties efficiently and reducing rent loss, this key value of the Business Plan is met.

Langstane Property Ltd has taken Scottish Government More Homes Division (MHDGN 2018/01) guidance into consideration when reviewing this policy.

## 2. Policy statement / aim of the policy

The main aim of this policy is to support a fair and consistent method of allocating properties at a mid market rent which adheres to Scottish Government Guidelines.

## 3. Objectives

- To provide clear guiding principles to staff allocating mid market rent properties ensuring properties are let efficiently and effectively
- To create and maintain mixed tenure, balanced communities
- To provide a further housing option for people who are not prioritised within a social housing allocation policy and who therefore have more limited choices in the current housing market.

## 4. Links to other policies

This policy links to a number of policies and strategies of the Langstane Group including but not limited to:

- Equality and Diversity Strategy
- Pets Policy
- Estate Management Policy
- Anti Social Behaviour Policy
- Rent Management Policy
- Void Management Policy

## 5. Criteria used to determine eligibility for MMR

- The applicant will have a low or modest income based on the local authority's Local Housing Strategy and in consultation with the Senior Strategy Officer (approximately £21,000 to £50,000 per annum) (sole or joint income). Langstane Property Ltd will not discriminate against an applicant because the source of that income is derived from a state pension or social security contributions.
- Langstane Property Ltd will take a proactive approach in identifying prospective tenants to minimise lost income through empty properties. The process to find a new tenant will take place as soon as the tenant advises that the tenancy will be terminated.
- As a guide, the size of the property will be determined by the household composition with an allowance of up to one spare bedroom as an additional room, however flexibility will be applied to allow the property to be let. Overcrowding as defined by the Housing (Scotland) Act 1987 will not be sanctioned.
- Prior to allocation, applicants will complete an affordability assessment designed to ensure that the household can financially manage to sustain the tenancy. A reference check will be required for each prospective tenant. This will take the form of a letter from an employer or a previous landlord.

## 6. Letting Agency Registration and Tenure Type

Part 4 of the Housing (Scotland) Act 2014 introduced a robust framework for the regulation of letting agents in Scotland.

Langstane Housing Association is registered as a Letting Agent on behalf of Langstane Property Limited under the legislation and in doing so abides by the Letting Agent Code of Practice and the standard of practice required to deliver services to tenants, including the requirement to have suitably trained staff

## 7. Rent Setting and Review

It is expected that the starting rent level for each mid-market rent home (including any service charge) will be no more than the relevant Local Housing Allowance rate for the property size in question.

Private sector rental levels will be routinely checked by the Housing Manager by accessing the current quarterly return provided by City Lets. This will give an overview of private rent levels and an indication of trends.

Rents will also be benchmarked against other social housing organisations to establish if the rent charged by Langstane Property Ltd is competitive.

A pricing strategy will be followed which will allow more attractive properties to attract a higher rent level, for example, those that are self-contained, are on the top floor or have other particular features.

## 8. Service Charges

Service charges will be included in the monthly rent however the tenancy agreement is required to make it clear what services are included and a breakdown of the cost of each service should be noted.

## 9. Escalation

Langstane Property Ltd will ensure that the process for allocation will begin as soon as a termination notice is received and properties are marketed for let as quickly as possible. A property schedule for each property will be prepared with room measurements, up to date photographs and any other features of the property which would promote the vacancy. 'To let' signs will be placed in properties due to be terminated, properties will be advertised on the Association's Facebook site and Website. Where possible a viewing will be arranged for prospective tenants while the current tenant is in situ.

Where there is no interest staff will then place posters in community areas or other outlets (for example a local shop) and target information will be sent to the NHS, police and education authorities. If there is no interest the property will be advertised via the Aberdeen Solicitors' Property Centre or other appropriate website.

## 10. Void Repairs

Staff will follow the inspection timescales as set out in the Managing Agent's Void Management Policy.

Inventories will be checked and include the general condition of the property decoration, furnishings (including photographs) with the tenant at a pre-termination inspection.

Any repairs to the property will be carried out, where possible, following a pre-termination inspection and before Langstane Property Ltd has vacant possession. Any repairs or damage will be highlighted to the existing tenant at this point and an estimated cost of the repair provided

A further inspection will be carried out when the tenant leaves the property and any further repairs (including re-chargeable repairs) identified. The deposit will then be allocated as detailed in Section 11.

## 11. Deposit Scheme

The tenants of Mid Market Rent (MMR) properties will be required to pay a deposit equivalent to one month's rent prior to taking entry. This is retained to meet the costs of any damage/dilapidation caused to the property by the tenant or for any unpaid rent after the property has been vacated. In the case of a joint tenancy, a lead tenant for the deposit scheme must be agreed and all matters relating to the deposit will be with the identified tenant only.

The Housing (Scotland) Act 2006 made provision for the implementation of a Tenancy Deposit Scheme in Scotland. This places a duty on a landlord who receives a deposit in connection with a tenancy, to protect this deposit with an independent third party.

At the end of the tenancy, agreement will be sought with the tenant on how the deposit should be allocated. The Tenancy Deposit Scheme provider will then repay the deposit in accordance with the agreement unless there is a dispute between the parties over the deposit allocation.

If there is a dispute, the Scheme provider will ask for evidence from all parties as to how they feel the deposit should be allocated. It will then carry out an adjudication process and issue a draft report for review by all involved. Once comments have been received then there will be a final decision and the Scheme will pay out the deposit in accordance with that decision.

## **12. Customer Information**

Information about mid market rents will be made available to applicants and other customers via the Managing Agent's website.

The Managing Agent will ensure that tenants receive Tenancy Packs, the contents of which are defined by legislation and that the tenant acknowledges receipt of the pack.

## **13. Procedures and staff training**

Procedures will be available for staff to follow and will be updated regularly to reflect any changes in working practice, guidance or legislation.

The Housing Manager will be responsible for compliance checking and that both policy and good practice are followed.

Staff will be supported to study for qualifications required by legislation to ensure they are legally able to carry out their role.

## **14. Monitoring and Review**

Reports will be made available to the Senior Management Team and the Board of Management of the managing agent on a monthly basis regarding:

- Number of vacancies during the reporting period and the current status of those voids
- Average void turnaround time for that month and related trend information
- Repair timescales
- Complaints

Tenant profile information including equalities information and economic status will be made available to the Leadership Team and the Board of Management annually.

In addition the Scottish Government guidance requires Langstane Property Ltd to monitor the characteristics of who is housed in mid-market rent funded projects and complete a 'Mid Market Rent Information Log' for both initial and subsequent tenancies.

## 15. Right to complain

In the event that a customer is not satisfied with the service they have received, they should contact the Langstane Housing Association for a copy of the Complaints Policy. This can also be viewed on Langstane Housing Association's website – [www.langstane-ha.co.uk](http://www.langstane-ha.co.uk).

## 16. Equality and diversity

The Langstane Group and its subsidiaries are committed to promoting equality and diversity across all areas of work. Discrimination or harassment of any kind is not tolerated.

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