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CENTURION WAY MID MARKET RENT FLATS ALLOCATIONS POLICY
SUMMARY



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INTRODUCTION

Partick Works Limited (PWL) owns and manages 22 Mid Market Rent properties at Centurion Way in Partick. It is vital that PWL ensures the continued and sustainable viability of this new area of business by making sure potential tenants have access to available MMR properties in this development, while maximising revenue. This policy is designed to ensure the MMR properties at Centurion Way are advertised and allocated to customers who meet the correct income criteria and who have the potential to sustain their tenancy in the medium to long-term.



WHAT DO WE MEAN BY MID MARKET RENT?

The Scottish Government uses the term 'Mid Market Rent' (MMR) for properties let under a Short Assured Tenancy at a rent which is:

- Higher than the rent charged by Registered Social Landlords (RSLs) for a similar property let under a Scottish Secure Tenancy Agreement.
- But less than the rent charged by private landlords in the local private rented sector for a similar property.

WHO IS MMR FOR?

Scottish Government Policy states that MMR aims to help people on low and modest incomes to access affordable rented housing.

This includes:

- People with incomes which are not quite enough for them to afford owner occupation.
- People who need or want to rent for a limited period and can afford to pay more than social rent, such as those who expect to be able to buy a house later in their careers.

It is expected that the majority of MMR tenants will be in employment, although there is flexibility, such as households which include someone with a disability. In all cases, prospective tenants must have low or modest incomes.

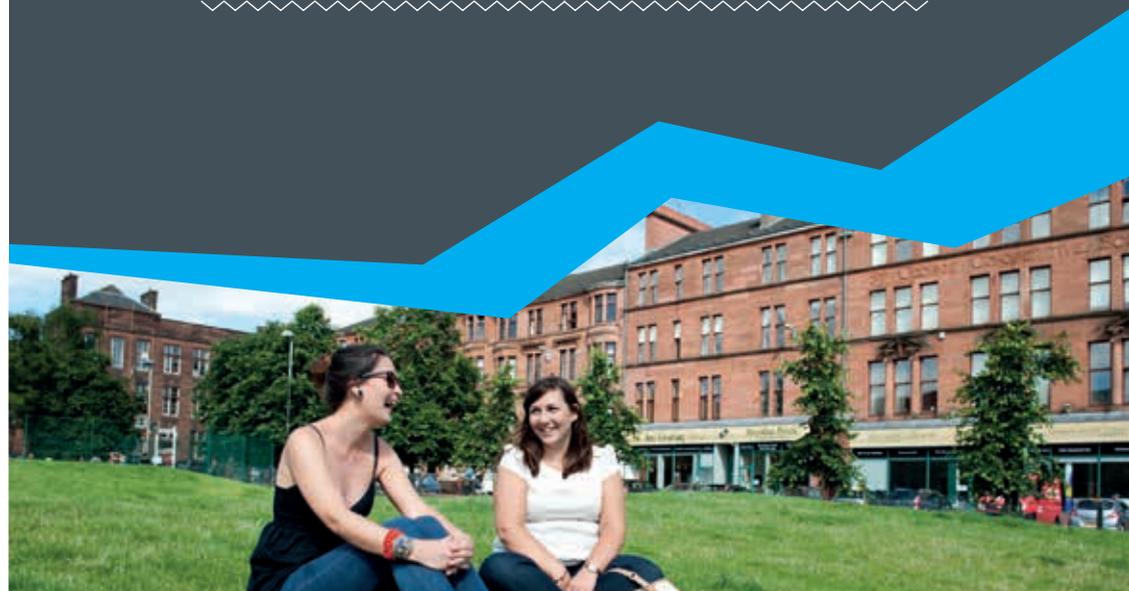
The Government's Housing Strategy Plan for 2011-2020 includes a substantial expansion of intermediate tenures, including MMR, to meet the needs of the growing number of people who cannot access home ownership and are struggling to afford private rents, but are unlikely to get a social let.

HOW DOES MMR WORK FOR LANDLORDS?

Under the Housing (Scotland) Act 1987 (as amended by the 2001 Act), RSLs cannot take applicants' incomes into account when allocating tenancies. This means MMR units developed by RSLs have to be let and managed by a subsidiary to comply with the guidance relating to income.

Partick Works Ltd (PWL) is a non-charitable subsidiary company of Partick Housing Association Limited. PWL leases the properties from PHA and manages the MMR units.

The tenancies are Short Assured Tenancies between PWL and the tenants. PWL will serve MMR tenants an AT5 Notice before entering into the tenancy agreement. The Short Assured Tenancy Agreement is available on request from our office.



WHAT ARE THE INCOME CRITERIA?

- Prospective MMR tenants have to prove they do not have sufficient income to afford the rent likely to be charged for an equivalent property in the private rented sector without receiving Housing Benefit.
- In measuring if a rent is affordable for an applicant or not, PWL will apply the Scottish Government’s definition, which states that a household is considered to be able to afford mid market renting where the rent payable is no more than 25% of their gross household income.

WHAT IS THE CURRENT RENT FOR CENTURION WAY?

The current monthly rents for the MMR flats at Centurion Way are:

1 Bedroom	2 Bedrooms	3 Bedrooms
£537.00	£593.55	£637.66

We have set these rents by adding 33% onto the rent for the equivalent social rented flat in the Centurion Way development.

- The rents for the two and three bedroom flats are currently 13% and 3% in excess of Local Housing Allowance respectively.
- The rent for the one bedroom flats is currently 29% in excess of Local Housing Allowance.

The LHA is set for the whole city and does not take account of disparities between local private rented sector markets. It can be argued that the LHA for one bedroom flats, currently £398.92 per month, does not accurately reflect the local private rented sector market in Partick. Also, both monthly rent and LHA rates change on a yearly basis.

Based on the 25% affordability guideline, the minimum gross annual household income are as follows:

Monthly Rent	Minimum Gross Annual Household Income
1 Bedroom Flat	£22,800
2 Bedroom Flat	£24,336
3 Bedroom Flat	£26,880

- Applicants with a gross annual household income of £36,000 and over should, according to the affordability guidelines, be able to afford rents of up to £750 per month. We consider this is sufficient to secure accommodation at full market rent in the private rented sector.
- Applicants with a gross annual household income in excess of £36,000 are therefore not eligible for MMR housing, unless special circumstances apply, e.g. unusually high costs associated with caring for a dependant.

WHO WILL BE GIVEN PRIORITY?

We will advertise the availability of MMR properties on our website, in our newsletters, in the office and by other media. We will accept applications from anyone over the age of 16 whose income falls within the thresholds above.

However, we will give priority to:

- PHA tenants or the dependants of PHA tenants who live in PHA properties.
- Applicants vacating other social rented accommodation.
- Applicants living in the private rented sector or with friends or families in sub-tolerable, unaffordable, overcrowded, insecure or otherwise unsatisfactory conditions.

We may also take other unusual circumstances into account. Where there is excess demand for available properties, we will prioritise applications in date order.

We will not accept applications from owner occupiers, joint owners, or those holding equity in property unless a significant change of circumstances has occurred which makes it impossible for the applicant to continue living in their accommodation. In such cases the applicant must have sold their property before being allocated an MMR tenancy.

Where two or more applicants have the same application date and priority, we will allocate the MMR property by considering the degree of need demonstrated, e.g. the overall space standard within a property compared to the family composition, and the length of time in need.

WHAT ARE THE OCCUPANCY LEVELS AT CENTURION WAY?

There are 22 flats in the Centurion Way development, of different sizes and levels of occupancy:

6 x 1 bedroom flats	(Maximum of 2 occupants)
10 x 2 bedroom flats	(Maximum of 4 occupants)
6 x 3 bedroom flats	(Maximum of 6 occupants)

Households can apply for a flat which is two bedspaces bigger than their current need. This will encourage households to view the tenure as a long term option, potentially reducing re-lets. Where an applicant has shared custody of children, the children will be counted as part of their household for the purposes of determining the size of flat they can apply for.



OFFERS OF ACCOMMODATION

- We will make applicants one offer of accommodation which meets their requirements.
- If the applicant accepts the offer, we will invite them to sign their tenancy agreement and take entry to their property immediately. Where more than one adult will be living in the flat, we will offer a joint tenancy.
- If an applicant fails to respond to an offer of accommodation within three working days of viewing the property, we will immediately offer it to the next eligible applicant.

EXCESS DEMAND

We do not anticipate properties becoming available for re-let within one year of the initial allocation. However we will maintain a register of interest parties who meet the allocation criteria and contact them should a property become available.

THE 'SMALL PRINT'

Updates

This policy will be reviewed within one year of the allocation of the property, but it will be amended as necessary to improve the letability of the flats or to ensure tenancies are sustainable in the medium to long-term.

Equality

We will ensure that no one receives less favourable treatment or is disadvantaged by conditions or requirements which cannot be justified. We will provide MMR applicants with clear and accurate information which allows them to make a properly informed decision on whether to take up an MMR tenancy or not. We can provide information in various formats, including key languages, Braille and audio tape.

Advice Before Allocation

We are aware of the importance attached to developing and maintaining a new form of housing tenure in the area. We will therefore advise MMR applicants before allocating a flat, making sure they are aware of their rights and security of tenure under the Short Assured Tenancy; the terms of the tenancy and grounds for possession; and that they are in a position to sustain their tenancy and afford the rent and service charges, without recourse to Housing Benefit.



A copy of our full Centurion Way Mid Market Rent Flats Allocations Policy is available to collect from our office or to download from our website at www.partickha.org.uk

