



MHA Local Rent review Frequently Asked Questions

Why did MHA change the way it sets my rent?

The Welsh Government asked all Registered Social Landlords (that means housing associations like us) to set rents based on a number of local affordability factors. In response MHA implemented a new Living Rents based local rent policy, which came into effect from **April 2021**. All rents are now set in accordance with this policy.

How is the 'Local Rent' calculated?

Firstly, we have listened to trusted organisations such as the Joseph Rowntree Foundation, who have undertaken extensive research on the affordability of rents.

To calculate a Local Rent we start by using average income data from the Office of National Statistics.

This provides us with estimates of the income of lower earners for all of the areas where we have properties throughout Monmouthshire, this data will be regularly used to ensure our Local Rents are kept affordable.

Significant research undertaken to date says housing costs are unaffordable if they come to over a third of a household's income. As the basis to set our rents we are therefore using 28% of the average income for the lower earners.

We have adjusted the rents for different property sizes and types, as our tenants requested, to make how we set our rents much fairer.

For example, we allocate most of our one bedroom properties to single people, so the Local Rent for these properties is based on the income of an individual who is in work. However, it is also affordable if you

happen to be out of work or retired and are in receipt of Housing Benefit / universal credit.

The Local Rents for our larger homes are higher as we know that bigger families will tend to be living in them. We have considered how a family's income and outgoings change as they change in size.

Other housing associations in Wales have also adopted a similar Living Rent model.

How much is the increase?

A detailed breakdown of your rent and service charges are included in your rent letter. The amount shown is the full amount you are charged, and does not take account of any Housing Benefit/ Universal Credit you may be entitled to.

Your rent will be based on our new fairer Local Rent Policy moving forward which is reviewed annually and adjusted in April.

What if I get universal credit?

If you receive Universal Credit you will need to report any change with your new rent details to DWP **from April each year**.

What if I pay my rent by Standing Order or Direct Debit?

If you pay your current rent by Standing Order, please instruct your bank to pay the amount for rent and service charge due **from April**. If you pay by Direct Debit we will make any necessary adjustments to your payments, and notify you in writing.

Please note that you need to pay your rent and service charge a full week in advance as stated in your Occupation Contract.

What if I get Housing Benefit?

If you are in receipt of Housing Benefit we will notify the Council of any increase that may be applicable, who will then contact you separately.

Will I still have two 'non-payment' weeks?

Your yearly rent will still be spread over 50 weekly payments instead of 52, so you will still not have to pay for two weeks over the Christmas period.

However, if you pay your rent monthly via Direct Debit or you get Universal Credit, these weeks are already included in your monthly calculation.

Require more information?

If you would like more information about how we calculate our Local Rents or are worried about paying your rent, please contact our Money Advice Team on **0345 677 2277**, who will be able to advise you on the next steps to take.