

Dear xxxxx

### Shared Ownership Rent Increase Notification

This letter is your notice of a Rent increase. In this letter we set out what is the new Rent you are obliged to pay under your shared ownership lease and (given the current high rate of inflation means your rent increase would be above 12%), inform you of our decision to limit that increase to 7%.

The next Rent Review Date under your shared ownership lease of the Premises is 1st April 2023. The rent which you currently pay is [£A] per month.

Under the terms of your shared ownership lease the rent which you are required to pay on and after 1st April 2023 is [£B] per month, but as set out below we have capped the increase so the rent which you are required to pay is [£C] per month. This is the amount you (and any assignees of your shared ownership lease) must pay to us and the amount we agree we will accept from you (and any assignees of your shared ownership lease) until the next review or you exercise any right to staircase.

The new figure of [£C] per month is calculated as follows:

1. RPI Index for [month] [year] was [index figure] [(this was the Index on which the rent review in April 2022 was based)];
2. The Gross Rent fixed at the rent review in April 2022 was [£D] per month;
3. RPI Index for [month] [year] is [index figure] (this is the Index figure on which this rent review in April 2023 is being based);
4. The reviewed Gross Rent as at 1st April 2023 is therefore [£E] per month being:  $\text{£[D]} \times \left(\frac{\text{[new index figure]}}{\text{[old index figure]}}\right) [+ \text{[additional percentage increase expressed as decimal (i.e. 0.005 or 0.01)}]$ ; we have decided to limit the rent increase to 7% which means the reviewed Gross Rent as at 1st April 2023 will be  $\text{£[D]} \times 1.07 = \text{£[F]}$ .

But because your share of the Premises is currently [insert leaseholder percentage share]% and our share is [insert West Kent percentage share]%, the rent which you must actually pay is only [insert West Kent percentage share]% of [£F], which is the sum of [£C] per month.

Therefore, with effect from **1 April 2023**, your new charges will be:

Rent	£411.27
Service charge	
Major works provision	
Cyclical works provision	
Buildings insurance	£ 9.56
2020/2021 balancing charge	£- 0.12
Management fee	£11.75
<b>Total monthly charge</b>	<b>£432.46</b>

**We appreciate this news comes at a time when the cost of living is rising. If you have any worries or concerns about paying your rent, get in touch with us as soon as possible by visiting [www.westkent.org/helpforyou](http://www.westkent.org/helpforyou), calling 01732 749 400 or emailing [help@wkha.org.uk](mailto:help@wkha.org.uk).**

If you receive Housing Benefit, [your local council] will adjust it automatically and notify you. If you haven't heard from them, or think you now qualify for Housing Benefit, please contact the benefits team at [your local council] on [phone number].

If you are in receipt of Universal Credit, you must contact them to advise them of this change, so they can reassess your claim. It's your responsibility to make sure your payments cover your charges.

If you pay by standing order you must contact your bank to change the amount from the review date. It's your responsibility to make sure your payments cover your rent charge.

Direct debits are an easy way to manage your money and bills. To set one up, contact our customer services team on 01732 749400.

If you have any queries or need advice on your rent, please contact our customer services team on 01732 749400. You can check your rent account balance online, at any time by visiting our website [www.westkent.org/mywestkent](http://www.westkent.org/mywestkent)

Yours sincerely

**Maria Organ**  
Executive Director of Finance

**Estimated service charges financial year 2023/2024  
Service charge detail**

**Property Address:** xxxx

	<b>Monthly property cost</b>
<p><b>Service Charges eligible for Housing Benefit</b></p> <p><u>Communal utilities, services and servicing</u></p> <p>Buildings insurance 9.56</p> <p>Actuals for period 2020/2021 - 0.12</p> <p>Management fee 11.75</p>	
<b>Monthly service charge</b>	<b>21.19</b>
<b>Eligible for Housing Benefit</b>	<b>21.19</b>
<b>Not eligible for Housing Benefit</b>	<b>0.00</b>

## **Shared Ownership Voluntary Rent Cap 2023 frequently asked questions**

We are here to help as well as making sure you get all the benefits and support you are entitled to. For more information please visit – [www.westkent.org/helpforyou](http://www.westkent.org/helpforyou)

### **Why are you capping my rent this year?**

Your lease sets out a formula for increasing rent each year based on Retail Price Index (“RPI”). As there has been a big increase in RPI figures over the past year, applying the formula set out in your lease would lead to a significant increase in rent.

We are very conscious of the cost-of-living crisis and the increased costs our residents face. By choosing to limit the rent increase to 7%, we hope this provides a more affordable rent increase for shared owners. The 7% rent cap is in line with a proposal from the National Housing Federation (the “NHF”) for shared ownership rent increases that housing associations could voluntarily agree to.

### **Why are you not freezing my rent?**

As an organisation, we too are facing increasing costs in delivering our services to residents. If we took a decision to freeze rents for shared owners and not increase them at all, this would increase pressure on our own resources and finances. This could then impact the services we provide to our residents and the investments we are able to make in housing stock.

As a registered provider of social housing, we have a regulatory obligation to ensure we remain financially viable. We believe the 7% rent cap strikes a balance between affordability for residents and protecting our income, ensuring financial viability.

### **Why does the rent increase notice look different this year?**

The notification we have sent is in accordance with the requirements of the terms of your lease. We have also included additional wording to explain the rent cap and the impact that has on the rent calculation.

### **What steps do I need to take now?**

From the date of increase, you need to start paying the new rent as set out in the notification. You should also check the terms of any mortgage you may have to see if you have to tell your mortgage company about the new levels of payments.

If you have any concerns about the new rent level or worried you will struggle, please talk to us as soon as possible. Contact us on 01732 749400 or visit our website [www.westkent.org/renthelp](http://www.westkent.org/renthelp).

### **Can you change your mind about the rent cap during the year?**

We will not change our mind about the rent cap during the year. Our promise is that the new rent applies throughout the year (subject to any staircasing).

The notification sets out our clear intention that the new level of rent applies throughout the whole year. If we were to try and change that approach (which we will not), you would be able to rely on our intention and promise as set out in the notification to prevent this.

### **What happens if I want to staircase and buy an additional share in my property?**

The position is not any different from any other year. If you were to staircase and buy an additional share in the property, the amount of rent you are required to pay would be adjusted to reflect the new share in the property in accordance with the terms of the lease.

The adjusted amount would be calculated based on the gross rent that has been calculated for this year capped at 7%.

So, if you staircase, the level of new rent you will pay will still reflect the 7% rent cap. You will not be disadvantaged if you choose to staircase and you will not lose the benefit of the 7% rent cap.

### **If I sell my property, will the rent cap apply to the new owner?**

Yes, it will. The notification sets out our intention that the rent cap and the new rent payable applies to you and any subsequent purchaser of the lease for the next year.

### **How will the rent cap affect my rights?**

The rent cap does not alter any of your rights set out in legislation or your lease.

### **Will you be able to increase my rent by more next year?**

The lease terms set out the formula for calculating the new rent payable each year. The calculation for next year's rent will be based on the rent you pay this year as capped, it will not be based on the rent level that would have been payable if we had not applied the rent cap this year.

### **Will my rent increase be capped every year?**

No. The decision to cap the rent increase applies just to this year given the exceptional financial circumstances.

If there are exceptional financial circumstances in future years, then this may be something we consider again but we are not bound to offer a rent cap again and the decision this year does not set a precedent for future years.

So, in future years we will continue to increase rent in accordance with the lease terms.

### **How is my service charge calculated?**

Service charges are set using actual costs for communal cleaning, window cleaning (communal properties only), grounds maintenance and utility charges etc.

### **What is an eligible/non-eligible service charge?**

An eligible service charge is one which can be included in your Housing Benefit or Universal Credit claim. This would normally be for communal charges only.

A non-eligible service charge cannot be included in your Housing Benefit or Universal Credit claim. These charges would be related to personal usage within your home, for example heating and hot water.

### **How do I pay my rent?**

We offer a variety of payment options:

- Direct Debit - please call 01732 749400 to set one up over the phone.
- Standing order - please call 01732 749400 to request a mandate or use our bank details below.
- Automated payment line - available 24 hours a day / seven days a week. Please call 01732 749442.
- Debit card – visit [www.westkent.org/payrent](http://www.westkent.org/payrent)
- Giro Swipe card at any Post Office or PayZone outlet – if you've lost your swipe card, please call 01732 749400 or email [help@wkha.org.uk](mailto:help@wkha.org.uk)
- Online banking or banking App:
  - **Account name:** West Kent Housing Income Account
  - **Account number:** 25867792
  - **Sort code:** 60-19-02
  - **Reference:** your ten-digit tenancy reference number

### **I pay my rent by Direct Debit; do I need to do anything?**

No, we will recalculate your payments for you using your new rent charge and will send you a new payment schedule during March 2023 before anything is collected.

If you receive Housing Benefit, this may affect the Direct Debit collection amount, so please let us know if there is a deduction from your housing benefit award to pay for any overpayments. It's your responsibility to make sure the amount we collect covers the rest of your rent charge.

**I pay my rent by standing order, do I need to do anything?**

Yes, you will need to contact your bank and request your payments are amended in line with your new rent charge. It's your responsibility to make sure your payments cover your rent charge.

**I receive Housing Benefit; do I need to do anything?**

We will contact your council for you and inform them of your new charges. They will then reassess your claim and write to you directly to advise you of your new award. If you pay by Direct Debit, you must ensure you advise us of your new award as this will affect the Direct Debit collection amount. It's your responsibility to make sure the amount we collect covers the rest of your rent charge.

**I receive Universal Credit; do I need to do anything?**

Yes, you will need to inform the Department of Work and Pensions, via your Journal, of your new charges so they can reassess your claim. It's your responsibility to make sure your payments cover your rent charge.

**If you have any other questions not covered in this FAQ sheet, let us know. Call 01732 749400 or email [help@wkha.org.uk](mailto:help@wkha.org.uk). We might take longer than usual to respond to you due to the number of queries we receive.**