

Shared Ownership Rent Setting Policy

1 Introduction

- 1.1 This policy sets out ReSI Homes' approach to rents for shared owners. Shared owners are leaseholders who own part of their property and pay rent on the share of the property that they do not own.
- 1.2 This policy includes information on how rents are set and reviewed, and our approach to rent arrears and income management.
- 1.3 ReSI Homes is also aware of its grant and s106 obligations with respect to rent setting, which are binding on ReSI Homes. ReSI Homes is bound by the terms of the shared ownership lease.
- 1.4 The appointed Property Managers of ReSI Homes will be required to accept the obligation to comply with this policy and the Board will thereafter be responsible for monitoring the compliance of these managing agents with this policy.

2 Purpose

- 2.1 For all our shared ownership properties, the purpose of this policy is to:
 - 2.1.1. Ensure that ReSI Homes is transparent in its approach to setting rents.
 - 2.1.2. Ensure that ReSI Homes meets its legal and regulatory obligations with regard to setting rent.
 - 2.1.3. Set out our approach to collecting rent.
 - 2.1.4. Set out how we will manage any rent arrears.

3 Scope

- 3.1 This policy applies to all shared ownership residents, and shared ownership properties owned by ReSI Homes.
- 3.2 It does not apply to properties where the shared owner has staircased to 100% ownership.
- 3.3 All staff, the Fund Manager and Property Managers are expected to comply with this policy when working with shared owners.

4 Equality and diversity

- 4.1 ReSI Homes is committed to making sure all services are accessible to all our residents. The Property Managers acting on our behalf are required to ensure they are communicating appropriately with our customers, and they have the relevant information.
- 4.2 This policy will be applied in a way which makes sure we treat all customers with fairness and respect. We recognise our duty to advance equality of opportunity and prevent discrimination or victimisation on the grounds of age, sex, sexual orientation, disability, race, religion or belief, gender re-assignment, pregnancy and maternity, marriage and civil partnership and any other protected characteristics defined within the [Equality Act 2010](#).

4.3 On request we will provide translations of all our documents, policies and procedures in various languages and formats including braille and large print.

5 **Commitment**

5.1 ReSI Homes will adhere to all relevant legislation, regulatory requirements and best practice when setting and collecting rents.

5.2 ReSI Homes will communicate clearly with shared owners in relation to:

- How their rent is set
- The amount of rent that is due
- Any changes to their rent

5.3 ReSI Homes will take into account best practice published by the Regulator of Social Housing, National Federation of Housing, and the Council of Mortgage Lenders.

6 **Approach**

6.1 Rent for shared ownership properties is due on the share of the property retained by ReSI Homes.

6.2 **Initial Rent Setting**

6.2.1 The initial rent for a shared ownership property will be set by ReSI Homes, based on the value, and share of the property retained by ReSI Homes and will be set at the point of purchase of the shared ownership property.

6.2.2 Rent for shared ownership properties will be set at the level specified in the property's shared ownership lease, and in line with the requirements of any s106 covenants on the property.

6.2.3 Rent will be set as a proportion of the value of the share in the property retained by ReSI Homes. As currently required by Homes England annual specified rent will be set at no more than 3% of the value of the retained share.

6.2.4 All prospective shared owners will be made aware of the level of rent that will be due on their properties upon purchase and this will be set out in their leases. Details of rent and any other lease charges will be set out in Key Information Documents provided to prospective purchasers.

6.3 **Rent Review**

6.3.1 Rents will be reviewed annually in line with the lease.

6.3.2 The relevant month for the RPI utilised for rent reviews is generally September (prior to the general April review date). Some older leases provide for links to inflation indices at different points in the year and some refer to limits set under the Fair Rent regulations. The method of review will be set out in the review notice in accordance with the lease.

6.3.3 Shared owners will be notified promptly and clearly of their new rent before the Rent Review Date. It is the responsibility of shared owners to pay the correct rent that is due on their property.

6.3.4 Notice Period: **(Aligns with Rec 2 – Rent Review Letters)**

- Rent review notices must be issued to shared owners no less than **one calendar month** before the new rent takes effect. This notice period reflects sector best practice and ensures shared owners have sufficient time to understand the changes to their rent and raise any queries. Property managers are required to comply with this notice period when issuing notices on behalf of ReSI Homes.

6.4 **Validation Checks (Aligned with Rec 1 – Consistency of ReSI/PM Data)**

ReSI Homes will undertake a series of annual validation checks on rent calculations provided by property managers to ensure accuracy, and consistency. These checks will include:

- Identifying any properties showing zero rent debit
- Identifying any properties with no rent change applied for the relevant year
- Identifying rent increases that exceed the limits set out in the shared ownership lease or represent significant outliers
- Reconciling ReSI Homes' Property Data Set against each property managers rent schedule to ensure all properties appear on both datasets
- Investigating and resolving any differences identified during these checks

Resi Homes will formally document these validation checks and retain evidence of their completion as part of the annual rent setting

6.5 **Rent Review Notice Templates (Aligns with Rec 2 Rent Review Letters)**

6.5.1 Resi Homes will maintain a set of approved rent review notice templates for use by all property managers. These templates must be used without alteration unless express approval is provided by ReSI Homes.

All templates must include as a minimum:

- A clear explanation of how the new rent has been calculated
- Reference to the relevant lease clause governing rent reviews
- Information on the shared owners' rights and obligations in relation to the rent review
- Details of how the shared owner may raise a query or dispute

- The effective date of the new rent
- Confirmation of the required minimum one-month notice period

All templates will undergo annual review and formal sign-off by ReSI Homes before being circulated to property managers.

6.6 Staircasing

6.6.1 Shared owners are able to purchase additional shares in their home, as set out in ReSI Homes Staircasing Policy. When a shared owner purchases additional shares in their home the proportion of rent they pay will be reduced to reflect this change. ReSI Homes will notify shared owners of the new rent due upon their purchase of an additional share.

6.7 Rent Payment

6.7.1 It is the responsibility of shared owners to make sure that their rent is paid when it falls due. ReSI Homes will make the responsibilities of rent payment clear to shared owners throughout the purchase process.

6.7.2 Information about how to pay rent will be provided clearly to all shared owners upon purchase of their home. All shared owners will be asked to make payments by direct debit. Where it is not possible for a shared owner to pay by direct debit ReSI Homes will also offer payment by standing order.

6.8 Income Management

6.8.1 As set out in our Income Management Policy ReSI Homes will take a firm but fair approach to rent arrears. When managing rent arrears for shared owners we will work in line with the joint guidance for shared ownership issued by Homes England, UK Finance, and the National Housing Federation.

6.8.2 Where rent arrears accrue, we will seek to work with shared owners to address the issues of rent arrears and put in place plans to address the arrears.

6.8.3 The Property Managers acting on our behalf will notify shared owners of any arrears accrued on their account and identify organisations that can offer them financial advice to resolve their arrears.

6.8.4 We will work to recover all rent due to us through all reasonable means, including the use of court orders.

6.9 Appeals

6.9.1 If a shared owner considers that the rent has been set at or the outcome of a rent review is not in line with this policy, they have a right to appeal in writing to ReSI Homes. We will review any appeal and notify the shared owner of our decision within 21 days.

6.9.2 Where ReSI Homes and the shared owner are not able to reach agreement on the rent within three months of the change in rent shall be referred to an independent expert as set out in the shared ownership lease.

7 **Service charges**

7.1 Where service charges are applied to Shared Ownership properties, the approach will be set out in the shared owner's lease.

8 **Monitoring and Compliance**

8.1 The ReSI Homes Board has overall responsibility for rent setting. An annual report will be provided to the Board, outlining the rents of the shared ownership portfolio, and the outcome of the rent review process.

8.2 **Data Reconciliation (Aligns with Rec 1 – Consistency of Data)**

ReSI Homes will reconcile its Property Data Set with each property managers rent schedule as part of every annual rent review cycle.

Where discrepancies are identified, ReSI Homes will review and agree the correct rent data, recognising the latest property manager rent schedule as the authoritative source unless otherwise evidenced.

All reconciliations and outcomes will be documents and retained

8.3 **Property Manager Absence (Aligns with Rec 2 – Rent Review Letters)**

Property managers must ensure appropriate business continuity arrangements are in place to guarantee timely issuance of rent review notices.

Each property manager must designate at least one additional staff member trained and authorised to issue rent review notices in the event of staff absence or operational disruption.

Confirmation of these arrangements must be provided to ReSI Homes annually

8.4 Rent setting and review calculations will be validated by internal audit at least once every three years.

9 **Policy Review (Board Observation – Policy Review Timeliness)**

9.1 This policy will be reviewed every two years.

9.2 The review date, next scheduled review date, and the details of any amendments will be recorded in ReSI Homes' Policy Register

9.3 Where a review does not take place by the scheduled date, the reason for delay and an interim assessment of the Policy's continued suitability must be documented.

24 November 2025