

## **Rent Policy**

The level of rent paid by a tenant was normally the higher figure of either 10% of household taxable income or the standard rent of £234pcm (prior to any discount). The standard rent is reviewed annually by the Trustees and any changes come into effect on 1 July.

Following a major rent review in 2025 the Trustees agreed that the standard rent will rise to £450pcm (plus inflation from December 2025) from 1 July 2027. At this point rent will no longer be based on 10% of income. Tenants paying more than £450pcm will have their rent frozen until the standard rent exceeds the level they are paying. The changes to the rent will be phased in, from 1 July 2026 the standard rent will be £342pcm. Tenants currently paying 10% of income will have their rent increased by 50% of the differential from £450.

The changes will be implemented on 1 October 2026 and 2027 for tenants in Scotland. (This is due to a rent rise limit during the covid pandemic which delayed the rent rise.)

From 1 July 2028 the rent will be increased annually in line with the rise in state pension in April of that year. This is subject to further review if necessary.

## **New Tenants**

New tenants joining between 1 January 2026 and 1 July 2026 will pay the standard rent of £342pcm. This is due to legal restrictions which prevent the rent being raised within the first year of a tenancy agreement. Similarly, new tenants joining between 2 July 2026 and 1 July 2027 will pay the standard rent of £450pcm. After 1 July 2027 when rises in rent will be less significant new tenants will pay the current standard rent until the 1 July at least a year after the tenancy began. So, a tenant joining between 2 July 2027 and 1 July 2028 will pay the same rent until 1 July 2029 when their rent will be harmonised with other tenants' rent.

The rates for new tenants in Scotland will follow the same pattern using the date of 1 October rather than 1 July.

## **Discounts**

When a tenant makes an Interest Free Loan (IFL) to RBMHO or takes an Equity Contribution (EC) the rent paid may be reduced.

Each year RBMHO publishes a Normal Maximum Purchase Price (NMPP). In 2026 this is £250,000 (£270,000 for new builds). If a tenant has additional capital, they may add that to raise the NMPP by up to 50% raising the purchase price to £375,000 (£405,000). If a prospective tenant has between 50% and 100% of the NMPP in capital at the point of purchase the Trustees will determine the level of capital, they will need to contribute either as ES or IFL. This is up to a maximum of 49% of the actual purchase price.

## **Equity Contributions** (This option is closed for new tenants from 31 December 2026)

If a tenant provides capital in the form of an EC which reduces the amount of capital that RBMHO need to contribute the rent will be reduced. To be clear if the capital contributed has simply raised the purchase price and RBMHO have contributed the full applicable NMPP, rent will not be reduced.

As EC tenants are required to share in the landlord maintenance costs in proportion to their share of the property, they will receive a larger discount than IFL tenants.

The reduction in rent will be 100% of the proportion of the applicable NMPP that the EC tenant has provided. If an EC tenant has provided 20% of the NMPP their rent will be reduced by 20%.

### **Interest Free Loan**

If a tenant provides capital in the form of an IFL which reduces the amount of capital that RBMHO need to contribute the rent will be reduced. To be clear if the capital contributed has simply raised the purchase price and RBMHO have contributed the full applicable NMPP, rent will not be reduced.

As IFL tenants do not contribute to the landlord maintenance costs the reduction in rent will be lower than that received by EC tenants.

The reduction in rent will be 50% of the proportion of the applicable NMPP that the IFL has provided. If an IFL tenant has provided 20% of the NMPP their rent will be reduced by 10%.

### **Exceptional Cases**

The Trustees reserve the right to discount the rent charges for current tenants in exceptional circumstances. Any reduction will be agreed on a case-by-case basis.

Andy Hughes – General Manager June 2026