

RENT POLICY FOR RESIDENTIAL PROPERTIES 2026-27

1. Aims of the policy

The rent policy outlines the principles and approach for setting and reviewing rent across social housing stock managed by Soho Housing Association (the Association). It aims to:

- Ensure compliance with statutory and regulatory requirements
- Maintain affordability and transparency for tenants
- Support the financial sustainability of the Association
- Promote fairness and consistency in rent setting

2. Legal and regulatory framework

This policy complies with:

- Rent Act 1977
- Housing Acts 1985, 1988
- Localism Act 2011
- Welfare Reform and Work Act 2016
- Rent Standard 2026 (Regulator of Social Housing)
- Policy Statement on Rents for Social Housing 2026

3. Scope

The policy covers all social housing properties managed by the Association. Social housing is low cost rental accommodation where the rent is below the market rate and the accommodation is made available to people whose needs are not adequately served by the commercial housing market.

The Association's property covered by this policy includes that offered at:

1. Fair rent
2. Formula rent
3. Intermediate rent (including 'discounted rent' and other sub-market rentals)
4. Affordable rent

The rent policy does not cover shared ownership properties where charges are determined by the lease.

4. Policy statement

The Association's key aim is to be a resilient, inclusive, independent organisation that champions affordable living in the heart of London to strengthen its diverse community. Our residents expect their homes to be safe, energy efficient and properly maintained and this expectation underpins our financial plans in the short and longer term.

Property rents are a key element of our income and our policy is to maximise these, within the restrictions imposed by government through its rent policy statement.

We know that some of our residents may suffer occasional extreme financial hardship and we have established a tenant support fund that those residents are able to access via their housing officer.

5. Policy approach

Social rents are set in accordance with the Policy Statement on Rents for Social Housing 2026 (the Policy Statement) and the Rent Standard 2026 (the Rent Standard).

For any intermediate rents not covered by the Policy Statement or the Rent Standard (Regulator of Social Housing) the rent set takes account of local earnings and local sub-market rent levels and any restrictions imposed through planning agreements.

March 2026

Changes to annual rents will apply from 1 April and for most properties the annual change will occur from the first Monday in April, although for some properties with rents not covered by the Policy Statement or Rent Standard the change may be applied from an alternative date.

For rent periods that begin in the 12 months from 1 April 2026 to 31 March 2027, existing rents will increase by a minimum of 4.8% unless the increase is restricted by a Rent Cap applied under the Rent Standard or by a Fair Rent restriction or by a planning (s106) agreement or by a grant funding agreement.

Where permitted under the Policy Statement, additional flexibility through a convergence mechanism will be applied to those social rents that have not reached the formula rent level.

6. Rent setting for different types of rents

Social (formula) rent – rent is set using the formula set out in the Policy Statement:

[70% of average rent for the Housing Association sector x relative county earnings x a weighting depending on number of bedrooms]

PLUS

[30% of average rent for the Housing Association sector x relative property values]

All elements of the formula are published by the Office of National Statistics with the only variable being the property value in January 1999.

The Association applies the flexibility within the Policy Statement for rents to be set at up to 5% above formula rent (10% for Supported Housing).

Formula rents are subject to rent caps which impose upper limits on Formula Rents according to property size.

Fair rent (secure tenants only) - fair rents apply only for secure tenancies arising prior to 1988 and may be reviewed and reassessed by the Valuation Office Agency (VOA) every two years. Rents charged to secure tenants will be the lower of formula rent and fair rent. Annual increases are applied in line with the Policy Statement and Rent Standard. The Association applies to the VOA for review of registered rents at least every three years to maintain the differential between formula and fair rents.

Affordable rent – Where permitted, an affordable rent will be set up to a maximum of 80% of the market rent, in line with a housing supply delivery agreement with the Greater London Authority (GLA) or with a local authority in conjunction with the Government/GLA. The service charge is included within the affordable rent. Some restrictions on rent level may be identified as part of planning agreements (s106).

Intermediate market rent (IMR) – Rent set for a tenancy at below market rent levels, but above the level used for social rents. The IMR of a newly acquired or developed residential unit will be set at a level agreed and stipulated with the local authority. IMR is exempt from rent regulation by the Regulator of Social Housing.

Discounted rent - Discounted rent at the Association is a sub-market rent scheme which is a form of Intermediate Market Rent (IMR) but based on different salary levels (by reference to local earnings). As a form of IMR, it is exempt from rent regulation by the Regulator of Social Housing.

Shared ownership rent - Shared ownership rent is charged to a shared owner of a residential unit as a percentage of the equity retained by the Association, in line with guidance issued by Homes England and the GLA. Shared ownership homes are exempt from rent regulation, and their rents are increased annually in line with the terms of their lease.

Garages and car parking – the Association owns and manages garages and car parking spaces principally for use by residents. The rent for a newly acquired or vacant garage will be set at market rent. The rent for an existing occupied garage will be reviewed once per year and set at market rent or in line with a tenancy agreement, should any restriction apply.

Storage - the rent for an existing occupied storage unit will be reviewed once a year on the anniversary of the licence start date. Any increase in rent will be the greater of:

- i. Consumer Price Index – *All Items Index Percentage Change Over 12 months* (CPI) for the September preceding the start of the new financial year.
- ii. A % uplift that the Association deems appropriate, based on local market rents.

7. Responsibilities, monitoring and evaluation

The Association's Board (the Board) is responsible for a rent policy that underpins continuing financial viability and complies with legal and regulatory requirements.

The Resident Services Committee (RSC) is responsible for scrutinizing the draft policy and making recommendations for consideration by Board as part of the approval process.

The Board delegates implementation of the rent policy to the Chief Executive to ensure all staff and stakeholders are aware of the policy and to ensure that appropriate procedures are established that will ensure the policy objectives for setting and charging rents are met.

At Executive level, the Finance Director owns the policy and related procedure and is responsible for ensuring it is implemented on a day-to-day basis by all involved teams, providing advice and reports to the Board and Executive team as required. The Finance Director will advise housing management staff and finance staff of the expectations upon them in the implementation of the policy, including accurately recording rents and rent losses (through voids and/or arrears) in the housing and finance systems.

The Operations Director is responsible for data integrity of tenure types and tenancy changes; and residential unit numbers. The Operations Director will ensure that the operations team is aware of the policy and related procedures.

8. Equality and diversity

The Association will ensure that this policy is applied fairly and consistently. We will not directly or indirectly discriminate against any person or group of people in line with our Equality, Diversity and Inclusion Policy. We will act sensitively towards the diverse needs of individuals and communities and will take positive action or make reasonable adjustments where appropriate.

9. Related policies

Service Charge Policy
Rent Collection Policy
Mutual Exchange Policy
Succession Policy

10. Policy review

Approval

Document Owner: Finance Director

Date Approved: 2nd March 2026

Review Date: March 2027

Version	Type of change	Date	Revisions from previous issue	Approved By
1	Full review	2026	Reflects new Policy Statement on Rents including Flexibility and Convergence. Removes reference to market rents which are set at market levels as part of investment policy.	Board (following approval by RSC)